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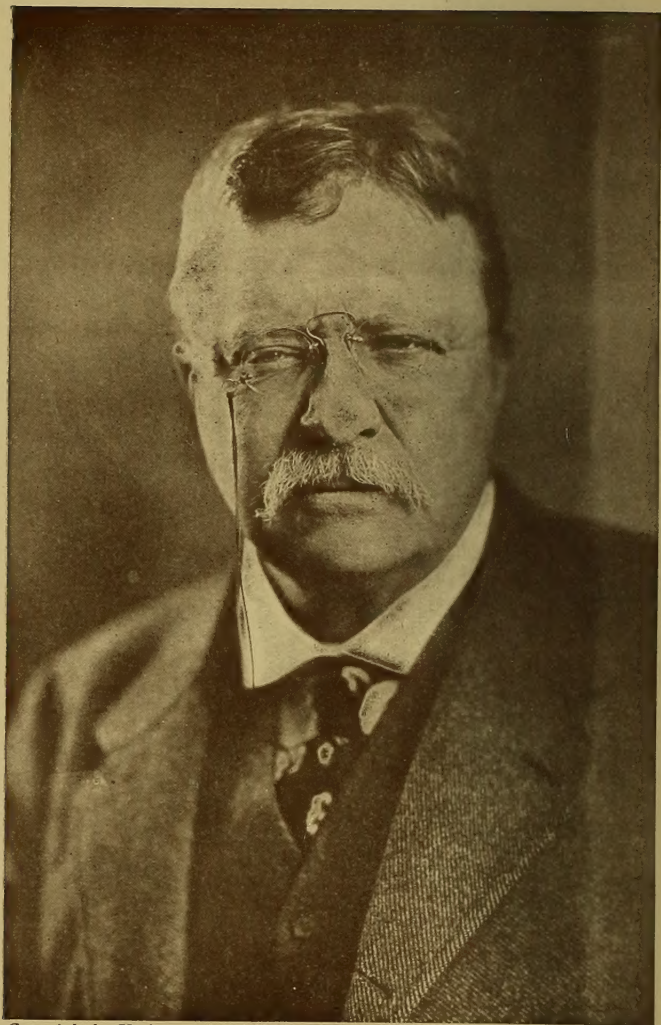
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THEODORE ROOSEVELT, TWENTY-SIXTH PRESIDENT OF  
THE UNITED STATES

# **The Roosevelt Policy**

Speeches, Letters and State Papers, relating to  
Corporate Wealth and Closely Allied Topics

By  
**Theodore Roosevelt**

Edited by  
**William Griffith**

**VOLUME ONE**

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These volumes contain practically all of importance that Theodore Roosevelt has had to say to the public, in speeches, letters and magazine articles dealing with the Great War, before and after America entered it; and all that he has had to say, in addresses, state papers and letters, on the subject of corporate wealth and the relations of capital and labor, since he entered the White House; and the most important of his utterances on those subjects as Governor of New York. The object of the editor has been to present in convenient and lasting form a complete and authentic record of what Theodore Roosevelt fought for and against during his memorable career. The volumes dealing particularly with the Roosevelt Policy are published with his permission and by special arrangement, which, however, extends no further than the furnishing of complete and accurate copies of his public utterances. For the selections made and the titles given to them, the editor alone is responsible. All of the notable public addresses that appear in the concluding volume were furnished by his literary executor, and his final articles contributed to, and copyrighted by, the *Metropolitan Magazine* are reprinted by permission. For permission to include in this volume the articles entitled, *Fear God and Take Your Own Part*, *Uncle Sam's Only Friend is Uncle Sam*, *Murder on the High Seas*, *Socialism Versus Social Reform*, *The Farmer: The Corner-Stone of Civilization*, *The Hun Within Our Gates* and *Nine Tenths of Wisdom is Being Wise in Time*, thanks are due to the George H. Doran Company by whom they are copyrighted. Three addresses entitled *Progressive Cause Greater Than Any Individual*, *A Confession of Faith* and *Woman's Place in Politics*, made during the Presidential campaign of 1912, were selected from manuscripts Colonel Roosevelt furnished to E. H. Youngman by whom they are copyrighted.

THE EDITOR.





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# THE ROOSEVELT POLICY

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## THE TAXATION OF CORPORATIONS

FROM A GUBERNATORIAL MESSAGE TO THE LEGIS-  
LATURE OF THE STATE OF NEW YORK MARCH  
27, 1899

THERE is evident injustice in the light taxation of corporations. I have not the slightest sympathy with the outcry against corporations as such, or against prosperous men of business. Most of the great material works by which the entire country benefits have been due to the action of individual men, or of aggregates of men, who made money for themselves by doing that which was in the interest of the people as a whole. From an armor plant to a street railway no work which is really beneficial to the public can be performed to the best advantage of the public save by men of such business capacity that they will not do the work unless they themselves receive ample reward for doing it. The effort to deprive them of an ample reward merely means that they will turn their energies in some other direction; and the public will be by just so much the loser. Moreover, to tax corporations or men of means in such a way as to drive them out of the State works great dam-

age to the State. To drive out of a community the men of means and the men who take the lead in business enterprises would probably entail, as one of its first results, the starvation of a considerable portion of the remainder of the population.

But while I freely admit all this, it yet remains true that a corporation which derives its powers from the State should pay to the State a just percentage of its earnings as a return for the privileges it enjoys. This should be especially true for the franchises bestowed upon gas companies, street railroads and the like. The question of the municipal ownership of these franchises can not be raised with propriety until the governments of all municipalities show greater wisdom and virtue than has been recently shown, for instance, in New York City; and the question of laying and assessing the tax for franchises of every kind throughout the State should in my opinion be determined by the State itself. I need not point out to you that in foreign communities a very large percentage of the taxes comes from corporations which use the public domain for pipes, tracks, and the like.

## THE TAXATION OF FRANCHISES

FROM A GUBERNATORIAL MESSAGE TO THE LEGISLATURE OF THE STATE OF NEW YORK, CALLED IN EXTRAORDINARY SESSION, MAY 22, 1899

MANY representatives of corporations owning franchises heartily approve of having them properly taxed; and I am confident that, in the end, this will be of positive benefit to the franchise

owners, and in no way oppressive to them, save as all taxes are oppressive to all owners of property.

The line of cleavage between good and bad citizenship does not follow the line dividing the men who represent corporate interests from the men who do not; it runs at right angles to it. We are bound to recognize this fact, to remember that we should stand for good citizenship in every form, and should neither yield to demagogic influence on the one hand, nor to improper corporate influence on the other. There is no intention of oppressing people who have put their money into franchises. We recognize that, as in the case of all legitimate business, they benefit not only themselves but the community at large. If a franchise is worth very little, it should be taxed very little; but where the franchise is of great value, it certainly should be heavily taxed; and the value is of course based upon the use of the city's or State's real estate. Such use of the public real estate should not be given without substantial returns; returns not only in the way of service to the public, which of course a street railway or a gas company gives, precisely as the proprietor of a grocery or dry goods store gives it, but also in the way of bearing a just share of the burden of taxation; again, precisely as the owner of the grocery or dry goods store bears his share, the difference being that a railroad company, for instance, owes infinitely more than the proprietor of a big business establishment does, to the real estate itself. Of course, this value differs greatly in different places. Where population is dense, as in New York City, the real estate along which

the tracks are laid on Broadway may be worth an immense amount for every lineal foot, exactly as the real estate fronting this portion of Broadway is worth an immense amount for every lineal foot. In sparsely settled districts, however, the value of the real estate of the railroad will diminish greatly, just as the value of the realty through which it runs diminishes.

I am perfectly well aware that as Chief Justice Marshall says: "The power of taxation is the power of destruction." But this applies to every species of property. If demagogues or ignorant enthusiasts who are misled by demagogues could succeed in destroying wealth, they would of course simply work the ruin of the entire community; and first of all, of the unfortunates for whom they profess to feel an especial interest. But the very existence of unreasoning hostility to wealth should make us all the more careful in seeing that wealth does nothing to justify such hostility. We are the true friends of the men of means, we are the true friends of the lawful corporate interests which do good work for the community, when we insist that the man of means and the great corporation shall pay their full share of taxes and bear their full share of the public burdens. If this is done, then sooner or later will follow public recognition of the fact that it is done; and when there is no legitimate basis for discontent, the American public is sure sooner or later to cease to feel discontent.

The Legislature passed, and there is now before me, a bill for the taxation of franchises by treating them as realty. After watching the progress of this bill I became convinced that the opposition to it was less to its particular features

than to the general principle of taxing franchises in any way; in other words, I became convinced that any really effective measure of taxation aimed at franchises would be vigorously opposed. It therefore became of the utmost importance to secure this year some statutory enactment which would distinctly recognize the principle which we seek to establish. Toward the end of the session it became evident that the influences against the taxation of franchises would be content with nothing save the defeat of any measure of substantial relief; and a measure of less than substantial relief I would not accept. Finally it became evident that the Legislature could pass only one bill and that without amendment. I therefore sent in a special message asking for the passage of this bill. It was passed on the last day of the session. It represents a long stride in the right direction, and one from which there must be no retrogression.

Nevertheless, it can be greatly bettered if amended in two important particulars. In its essential principle, that of taxing franchises as realty, it is right and proper. After much study of the question, I am convinced that in this way we can come nearer to doing justice than in any other which has as yet been proposed. It is no new thing to treat franchises as realty. They are so treated in Washburn's work on real property, and by Chancellor Kent; but under the laws of New York as they are now, a franchise can not be taxed except by special statute, and as a matter of fact this extremely valuable species of property is in very many, if not in most, cases untaxed or taxed far below its value



in comparison with other kinds of real estate. Local franchises are granted for various purposes and under varying conditions; sometimes by special statute and sometimes by the municipal authorities under a general statute. The value of the franchise of course varies widely in different localities, depending upon a variety of circumstances; but a great part of its value is dependent upon the same causes which operate to make other kinds of real estate more valuable in one locality than in another. The franchise is inseparable from the property of the corporation in the street, whether this property consists of poles, pipes, or tracks, above the ground, under the ground, or on the ground. The right to lay a railroad track and operate a railroad in a public street can not be separated or dissociated from the railroad itself. This is equally true of the right to lay water and gas mains and the like. The franchise is a necessary and inevitable element of value and is a proper subject of consideration in determining the taxable value of the real property of the corporation enjoying it. The right to occupy a street should not be classed as an intangible something, distinct from the other property of the company, but should be treated as a necessary incident to the tangible property and one to be considered in measuring the value of the whole property. The Nichols law in Ohio, which provides for the taxation of certain kinds of corporations such as telegraph and telephone companies and the like, doing business in the public streets, proceeds along these lines, and has in practice been found to work admirably. It is possible that further experience may enable us to find some

better method of taxing franchises, but with our present knowledge it is certainly wisest to tax them as realty.

Under the bill before me the assessment will be levied by the local authorities. This would result in many cases in a dozen different sets of local authorities assessing the value of different parts of the same franchise. It is on every account far better that this assessment should be delegated to the State authorities, who will necessarily ascertain all the conditions affecting the franchise and obtain information which will enable them to judge of the value of the franchise in the different localities in which it is exercised. The Board of State Tax Commissioners can collate the facts, compare conditions and determine values as a result of a wider range of observation and experience than can be obtained by local officers, and under them the system of assessment will tend to produce justice, harmony and uniformity. This is the system adopted under the Nichols law and it has worked well in practice.

Furthermore, the bill before me fails to take account of the fact that, in a very unequal and irregular way, many corporations do already pay a certain, though usually an utterly inadequate, sum in taxes. Some pay nothing at all to the local municipalities, but others pay sums varying from one to five per cent on their gross earnings. The amounts have been determined in the most haphazard manner and bear no proportion whatever to the value of the franchises or to their earning capacity. It is obviously unjust, when introducing a system under which we believe that these franchises will for the first

time be fully and fairly taxed according to their respective values, not to allow for this existing and inequitable taxation. Accordingly it should be provided that from the sum assessed by the State authorities as the tax which a corporation must pay because of its local franchise, there shall be deducted the amount already annually paid by it to the locality for such franchise. In no other way is it possible to tax these corporations with uniformity and equity. It is contended by the advocates of the bill that in reaching the value of the franchise under the new law the amount thus paid away in taxes must be allowed for and deducted anyhow; but it is not certain that this would be done, and in any event the principal should be definitely established by the law itself. There can be no possible opposition to putting it in the law by any man who is anxious to tax corporations as other property is taxed, and who believes that this end can be attained by taxing them as realty. Either by taxing them as realty we shall tax them at their full value, or we shall not; if, as we hold, the former is the case, it would be unjust to tax them for more than their full value, and this would happen were not these existing taxes deducted.

If it is claimed that the particular method of assessment by the State Tax Commission may be improper or unjust, provision can be made for the same appeal to the courts that now lies in the case of any assessment on other kinds of property.

Accordingly, I recommend the enactment of a law which shall tax all these franchises as realty, which shall provide for the assessment of the tax by the Board of State Tax Commis-

sioners, and which shall further provide that from the tax thus levied for the benefit of each locality there shall be deducted the taxes now paid by the corporation in question. Furthermore, as the time for assessing the largest and wealthiest corporations, those of New York and Buffalo, has passed for this year, and as it will be preferable not to have the small country corporations taxed before the larger corporations of the cities are taxed, I suggest that the operations of the law be deferred until October first, of this year.

## JUST TAXATION AND STATE REGULATION OF CORPORATIONS

FROM A GUBERNATORIAL MESSAGE TO THE LEGISLATURE OF THE STATE OF NEW YORK JANUARY 3, 1900

THE whole problem of taxation is now, as it has been at almost all times and in almost all places, one of extreme difficulty. It has become more and more evident in recent years that existing methods of taxation, which worked well enough in a simpler state of society, are not adequate to secure justice when applied to the conditions of our complex and highly specialized modern industrial development. At present the real estate owner is certainly bearing an excessive proportion of the tax burden. Men who have made a special study of the theory of taxation, and men who have had long experience in its practical application are alike in conflict among themselves as to the best general system. Absolute equality, absolute justice in matters of

taxation will probably never be realized; but we can approximate it much more closely than at present. The last Legislature most wisely appointed a committee to consider the feasibility of a thorough and far-reaching change in our tax laws; and there is good reason to believe that their forthcoming report will present a scheme which will receive the support of substantially all classes of taxpayers, and which will be of such a character as to commend itself to the most careful consideration of your body upon broad lines.

The law must not only be correct in the abstract; it must work well in the concrete. Experience shows that certain classes or symbols of property which in theory ought to be taxed can not under the present practice be reached. Some kinds of taxes are so fertile in tempting to perjury and sharp dealing that they amount to taxes on honesty — the last quality on which we should impose a needless burden. Moreover, where the conditions and complexity of life vary widely as between different communities, the desirability and possibility of certain taxes may seem or be so different that it is hard to devise a common system that will work. If possible the State tax should be levied on classes of property, and in a manner which will render it collectible with entire fairness in all sections of the community, as for instance the corporation or collateral inheritance tax is now collected. So far as possible we should divorce the State and municipal taxes, so as to render unnecessary the annual equalization of values between the several counties which has proved so fertile a source of friction between the city and the country.



There is a constant influx into New York State of capital oftentimes previously incorporated under the laws of other States, and an increasing number of men of means from other parts of the country, non-residents of New York, come into this State to sojourn and to conduct and be at the head of various business enterprises which are drawn to New York as the financial centre of the whole country. This calls for legislation which shall provide, in a broad and fair spirit, for taxing foreign capital in this State, whether in corporate or individual form, exactly as we tax domestic capital doing business along the same lines.

I call your attention to the fact that the great burden of taxation is local, not State. In the large cities the heavy local charges are mainly due to the action of the local authorities themselves. For this the local authorities are of course responsible. But sometimes taxation is added to by legislative enactment.

On certain points the failure of the tax laws has become so evident that it is possible to provide more or less complete remedies without waiting for a general scheme of reorganization. Again and again in recent years this has been recognized, and through legislative enactment certain species of property which had escaped taxation have been made to pay their proper share of the public burdens. The collateral inheritance tax offers a case in point. The corporation tax offers another. In all these matters of taxation, however, it is necessary to proceed with extreme caution, the path never being so simple and clear as the advocates of any particular measure invariably believe. Every wealthy

corporation that perpetrates or is allowed to perpetrate a wrong helps to produce or inflame a condition of angry excitement against all corporations, which in its turn may in the end harm alike the honest and the dishonest agents of public service and thereby do far-reaching damage to the whole body politic. Much of the outcry against wealth, against the men who acquire wealth, and against the means by which it is acquired, is blind, unreasoning, and unjust; but in too many cases it has a basis in real abuses; and we must remember that every act of misconduct which affords any justification for this clamor is not only bad because of the wrong done but also because the justification thus given inevitably strengthens movements which are in reality profoundly anti-social and anti-civic. Our laws should be so drawn as to protect and encourage corporations which do their honest duty by the public; and to discriminate sharply against those organized in a spirit of mere greed, or for improper speculative purposes.

There is plenty of misconduct, plenty of selfish disregard of the rights of others, and especially of the weak. There is also plenty of honorable and disinterested effort to prevent such misconduct or to minimize its effects. Any rational attempt to prevent or counteract the evils, by legislation or otherwise, is deserving of hearty support; but it can not be too deeply impressed upon us that such attempts can result in permanent good only in proportion as they are made in a sane and wholesome spirit, as far removed as possible from whatever is hysterical or revolutionary. It is infinitely better when needed social and civic changes can be brought about as

the result of natural and healthy growth than when they come with the violent dislocation and widespread wreck and damage inevitably attendant upon any movement which is revolutionary in its nature.

At the same time a change should never be shirked on the ground of its being radical, when the abuse has become flagrant and no other remedy appears possible. This was the case with the taxation of local franchises in this State. For years most of these franchises escaped paying their proper share of the public burdens. The last Legislature placed on the statute book a law requiring them to be treated as real estate for the purposes of taxation, the tax to be assessed and collected by the State Assessors for the benefit of the localities concerned. This marks an immense stride in advance. Of course at first serious difficulties are sure to arise in enforcing it. The means for carrying it into effect are very inadequate. There may be delay before we get from it the substantial additions to the revenue which will finally accrue, and there may be disappointment to the enthusiasts who are so apt to hope too much from such legislation. But it will undoubtedly add largely to the public revenues as soon as it is fairly in operation, and the amount thus added will increase steadily year by year. The principle which this law establishes has come to stay. There will doubtless have to be additional legislation from time to time to perfect the system as its shortcomings are made evident in actual practice. But the corporations owning valuable public franchises must pay their full and proper share of the public burdens.

The franchise tax law is framed with the intent of securing exact and equal justice, no more and no less. It is not in any way intended as a means for persecuting or oppressing corporations. It is not intended to cut down legitimate dividends; still less to cut down wages or to prevent a just return for the far-sighted business skill of some captain of industry who has been able to establish a public service greatly to the advantage of the localities concerned, where before his time men of less business capacity had failed. But it is intended that property which derives its value from the grant of a privilege by the public shall be taxed proportionately to the value of the privilege granted. In enforcing this law, much tact, patience, resolution and judgment will be needed. All these qualities the State Board of Tax Commissioners have thus far shown. Their salaries are altogether inadequate, for the new law has immensely increased not only their responsibilities, but their work. They should be given not only the needed increase for themselves, but also an appropriation for an additional number of clerks and experts.

During the year 1899 not a single corporation has received at the hands of the State of New York one privilege of any kind, sort or description, by law or otherwise, to which it was not entitled, and which was not in the public interest; nor has corporate influence availed against any measure which was in the public interest. At certain times, and in certain places, corporations have undoubtedly exerted a corrupting influence in political life; but in this State for this year it is absolutely true, as shown by the history of

every measure that has come before the Legislature from the franchise tax down, that no corporate influence has been able to prevail against the interests of the public.

It has become more and more evident of late years that the State will have to act in its collective capacity as regards certain subjects which we have been accustomed to treat as matters affecting the private citizen only, and that furthermore, it must exercise an increasing and more rigorous control over other matters which it is not desirable that it should directly manage. It is neither possible nor desirable to lay down a general hard and fast rule as to what this control should be in all cases. There is no possible reason in pure logic why a city, for instance, should supply its inhabitants with water, and allow private companies to supply them with gas, any more than there is why the general government should take charge of the delivery of letters but not of telegrams. On the other hand, pure logic has a very restricted application to actual social and civic life, and there is no possible reason for changing from one system to the other simply because the change would make our political system in theory more symmetrical. Obviously it is undesirable that the government should do anything that private individuals could do with better results to the community. Everything that tends to deaden individual initiative is to be avoided, and unless in a given case there is some very evident gain which will flow from State or municipal ownership, it should not be adopted. On the other hand, when private ownership entails grave abuses, and where the work is of a kind that can be per-

formed with efficiency by the State or municipality acting in its collective capacity, no theory or tradition should interfere with our making the change. There is grave danger in attempting to establish invariable rules; indeed it may be that each case will have to be determined upon its own merits. In one instance a private corporation may be able to do the work best. In another the State or city may do it best. In yet a third, it may be to the advantage of everybody to give free scope to the power of some individual captain of industry.

On one point there must be no step backward. There is a consensus of opinion that New York must own its own water supply. Any legislation permitting private ownership should be annulled.

Nothing needs closer attention, nothing deserves to be treated with more courage, caution and sanity, than the relations of the State to corporate wealth, and indeed to vast individual wealth. For almost every gain there is a penalty, and the great strides in the industrial upbuilding of the country, which have on the whole been attended with marked benefit, have also been attended by no little evil. Great fortunes are usually made under very complex conditions both of effort and of surrounding, and the mere fact of the complexity makes it difficult to deal with the new conditions thus created. The contrast offered in a highly specialized industrial community between the very rich and the very poor is exceedingly distressing, and while under normal conditions the acquirement of wealth by an individual is necessarily of great incidental benefit to the community as a whole, yet this is



by no means always the case. In our great cities there is plainly in evidence much wealth contrasted with much poverty, and some of the wealth has been acquired, or is used, in a manner for which there is no moral justification.

A profound political and social thinker has recently written: "Wealth which is expended in multiplying and elaborating real comforts, or even in pleasures which produce enjoyment at all proportionate to their cost, will never excite serious indignation. It is the colossal waste of the means of human happiness in the most selfish and most vulgar forms of social advertisement and competition that gives a force to passions which menace the whole future of our civilization." But in continuance this writer points out that the only effectual check lies in the law of public opinion. Any attempt to interfere by statute in moral questions of this kind, by fettering the freedom of individual action, would be injurious to a degree far greater than is the evil aimed at. Probably the large majority of the fortunes that now exist in this country have been amassed, not by injuring mankind, but as an incident to the conferring of great benefits on the community — whatever the conscious purpose of those amassing them may have been. The occasional wrongs committed or injuries endured are on the whole far outweighed by the mass of good which has resulted. The true questions to be asked are: Has any given individual been injured by the acquisition of wealth by any man? Were the rights of that individual, if they have been violated, insufficiently protected by law? If so, these rights, and all similar rights, ought to be guaranteed by additional legislation. The

point to be aimed at is the protection of the individual against wrong, not the attempt to limit and hamper the acquisition and output of wealth.

It is almost equally dangerous either to blink evils and refuse to acknowledge their existence or to strike at them in a spirit of ignorant revenge, thereby doing far more harm than is remedied. The need can be met only by careful study of conditions, and by action which, while taken boldly and without hesitation, is neither heedless nor reckless. It is well to remember on the one hand that the adoption of what is reasonable in the demands of reformers is the surest way to prevent the adoption of what is unreasonable; and on the other hand that many of the worst and most dangerous laws which have been put upon the statute books have been put there by zealous reformers with excellent intentions.

This problem has a hundred phases. The relation of the capitalist and the wageworker makes one; the proper attitude of the State toward extreme poverty another; the proper attitude of the State toward the questions of the ownership and running of so-called "public utilities," a third. But among all these phases, the one which at this time has the greatest prominence is the question of what are commonly termed "trusts," meaning by the name those vast combinations of capital, usually flourishing by virtue of some monopolistic element, which have become so startlingly common a feature in the industrial revolution which has progressed so rapidly during recent years.

Every new feature of this industrial revolution produces hardship because in its later stages it has been literally a revolution instead of an evo-

lution. The new inventions and discoveries and the new methods of taking advantage of the business facilities afforded by the extraordinary development of our material civilization have caused the changes to proceed with such marvelous rapidity, that at each stage some body of workers finds itself unable to accomodate itself to the new conditions with sufficient speed to escape hardship. In the end the accommodation of the class takes place; at times too late for the well-being of many individuals. The change which would be unaccompanied by hardship if it came slowly, may be fraught with severe suffering if it comes too fast, even when it is in the end beneficial. Occasionally, moreover, the change is positively deleterious, and very often, even when it is on the whole beneficial, it has features which are the reverse. In some cases, while recognizing the evil, it is impossible with our present knowledge to discover any remedy. In others, a remedy can be applied, but as yet only at a cost that would make it worse than the trouble itself. In yet others it is possible, by acting with wisdom, coolness and fearlessness, to apply a remedy which will wholly or in great part remove the evil while leaving the good behind. We do not wish to discourage enterprise. We do not desire to destroy corporations; we do desire to put them fully at the service of the State and the people.

The machinery of modern business is so vast and complicated that great caution must be exercised in introducing radical changes for fear the unforeseen effects may take the shape of widespread disaster. Moreover, much that is complained about is not really the abuse so much

as the inevitable development of our modern industrial life. We have moved far away from the old simple days when each community transacted almost all its work for itself and relied upon outsiders for but a fraction of the necessities, and for not a very large portion even of the luxuries, of life. Very many of the anti-trust laws which have made their appearance on the statute books of recent years have been almost or absolutely ineffective because they have blinked the all-important fact that much of what they thought to do away with was incidental to modern industrial conditions, and could not be eliminated unless we were willing to turn back the wheels of modern progress by also eliminating the forces which had brought about these industrial conditions. Not only trusts, but the immense importance of machinery, the congestion of city life, the capacity to make large fortunes by speculative enterprises, and many other features of modern existence could be thoroughly changed by doing away with steam and electricity; but the most ardent denouncer of trusts would hesitate to advocate so drastic a remedy. What remains for us to do as practical men, is to look the conditions squarely in the face and not to permit the emotional side of the question, which has its proper place, to blind us to the fact that there are other sides. We must set about finding out what the real abuses are, with their causes, and to what extent remedies can be applied.

That abuses exist, and that they are of a very grave character, it is worse than idle to deny. Just so long as in the business world unscrupulous cunning is allowed the free rein which, thanks to the growth of humanity during the

past centuries, we now deny to unscrupulous physical force, then just so long there will be a field for the best effort of every honest social and civic reformer who is capable of feeling an impulse of generous indignation and who is farsighted enough to appreciate where the real danger to the country lies. The effects are bad enough when the unscrupulous individual works by himself. They are much worse when he works in conjunction with his fellows through a giant corporation or trust. Law is largely crystallized custom, largely a mass of remedies which have been slowly evolved to meet the wrongs with which humanity has become thoroughly familiar. In a simple society only simple forms of wrong can be committed. There is neither the ability nor the opportunity to inflict others. A primitive people provides for the punishment of theft, assault and murder, because the conditions of the existing society allow the development of thieves and murderers and the commission of deeds of violence; but it does not provide for the punishment of forgery because there is nothing to forge, and therefore, no forgers. The gradual growth of humanitarian sentiment, often unconscious or but semi-conscious, combined with other causes, step by step emancipated the serf from bodily subjection to his over-lord; he was then protected in his freedom by statute; but when he became a factory hand the conditions were new and there were no laws which prevented the use of unguarded machinery in the factories, or the abuses of child labor, forced upon the conscientious employers by the unscrupulous until legislation put them on an equality. When new evils appear there is al-

ways at first difficulty in finding the proper remedy; and as the evils grow more complex, the remedies become increasingly difficult of application. There is no use whatever in seeking to apply a remedy blindly; yet this is just what has been done in reference to trusts.

Much of the legislation not only proposed but enacted against trusts is not one whit more intelligent than the mediæval bull against the comet, and has not been one particle more effective. Yet there can and must be courageous and effective remedial legislation.

To say that the present system of hap-hazard license and lack of supervision and regulation is the best possible, is absurd. The men who endeavor to prevent the remedying of real abuses, not only show callous disregard for the suffering of others, but also weaken those who are anxious to prevent the adoption of indiscriminate would-be remedies which would subvert our whole industrial fabric. The chicanery and the dishonest, even though not technically illegal, methods through which some great fortunes have been made, are scandals to our civilization. The man who by swindling or wrong doing acquires great wealth for himself at the expense of his fellow, stands as low morally as any predatory mediæval nobleman and is a more dangerous member of society. Any law, and any method of construing the law which will enable the community to punish him, either by taking away his wealth or by imprisonment, should be welcomed. Of course, such laws are even more needed in dealing with great corporations or trusts than with individuals. They are needed quite as much for the sake of honest corporations as for



the sake of the public. The corporation that manages its affairs honestly has a right to demand protection against the dishonest corporation. We do not wish to put any burden on honest corporations. Neither do we wish to put an unnecessary burden of responsibility on enterprising men for acts which are immaterial; they should be relieved from such burdens, but held to a rigid financial accountability for acts that mislead the upright investor or stockholder, or defraud the public.

The first essential is knowledge of the facts, publicity. Much can be done at once by amendment of the corporation laws so as to provide for such publicity as will not work injustice as between business rivals.

The chief abuses alleged to arise from trusts are probably the following: Misrepresentation or concealment regarding material facts connected with the organization of an enterprise; the evils connected with unscrupulous promotion; overcapitalization; unfair competition, resulting in the crushing out of competitors who themselves do not act improperly; raising of prices above fair competitive rates; the wielding of increased power over the wage-earners. Of course none of these abuses may exist in a particular trust, but in many trusts, as well as in many corporations not ordinarily called trusts, one or more of them are evident. Some of these evils could be partially remedied by a modification of our corporation laws; here we can safely go along the lines of the more conservative New England States, and probably not a little farther. Such laws will themselves provide the needed publicity, and the needed circumstantial-

ity of statement. We should know authoritatively whether stock represents actual value of plants, or whether it represents brands or good will; or if not, what it does represent, if anything. It is desirable to know how much was actually bought, how much was issued free; and to whom; and, if possible, for what reason. In the first place, this would be invaluable in preventing harm being done as among the stockholders, for many of the grossest wrongs that are perpetrated are those of promoters and organizers at the expense of the general public who are invited to take shares in business organizations. In the next place, this would enable us to see just what the public have a right to expect in the way of service and taxation. There is no reason whatever for refusing to tax a corporation because by its own acts it has created a burden of charges under which it staggers. The extravagant man who builds a needlessly large house nevertheless pays taxes on the house; and the corporation which has to pay great sums of interest owing to juggling transactions in the issue of stocks and bonds has just as little right to consideration. But very great hardship may result to innocent purchasers; and publicity by lessening the possibility of this would also serve the purpose of the State.

Where a trust becomes a monopoly the State has an immediate right to interfere. Care should be taken not to stifle enterprise or disclose any facts of a business that are essentially private; but the State for the protection of the public should exercise the right to inspect, to examine thoroughly all the workings of great corporations just as is now done with banks; and

wherever the interests of the public demand it, it should publish the results of its examination. Then, if there are inordinate profits, competition or public sentiment will give the public the benefit in lowered prices; and if not, the power of taxation remains. It is therefore evident that publicity is the one sure and adequate remedy which we can now invoke. There may be other remedies, but what these others are we can only find out by publicity, as the result of investigation. The first requisite is knowledge, full and complete.

## NATIONAL SUPERVISION OF GREAT COMBINATIONS OF CAPITAL AND OF LABOR

FROM AN ADDRESS DELIVERED IN CHARLESTON, ON  
THE OCCASION OF THE EXPOSITION, APRIL 9,  
1902

THIS Exposition is rendered possible because of the period of industrial prosperity through which we are passing. While material well-being is never all-sufficient to the life of a nation, yet it is the merest truism to say that its absence means ruin. We need to build a higher life upon it as a foundation; but we can build little indeed unless this foundation of prosperity is deep and broad. The well-being which we are now enjoying can be secured only through general business prosperity, and such prosperity is conditioned upon the energy and hard work, the sanity and the mutual respect, of all classes of capitalists, large and small, of wage-workers of every

degree. As is inevitable in a time of business prosperity, some men succeed more than others, and it is unfortunately also inevitable that when this is the case some unwise people are sure to try to appeal to the envy and jealousy of those who succeed least. It is a good thing when these appeals are made to remember that while it is difficult to increase prosperity by law, it is easy enough to ruin it, and that there is small satisfaction to the less prosperous if they succeed in overthrowing both the more prosperous and themselves in the crash of a common disaster.

Every industrial exposition of this type necessarily calls up the thought of the complex social and economic questions which are involved in our present industrial system. Our astounding material prosperity, the sweep and rush rather than the mere march of our progressive material development, have brought grave troubles in their train. We can not afford to blink these troubles, any more than because of them we can afford to accept as true the gloomy forebodings of the prophets of evil. There are great problems before us. They are not insoluble, but they can be solved only if we approach them in a spirit of resolute fearlessness, of common-sense, and of honest intention to do fair and equal justice to all men alike. We are certain to fail if we adopt the policy of the demagogue who raves against the wealth which is simply the form of embodied thrift, foresight, and intelligence; who would shut the door of opportunity against those whose energy we should especially foster, by penalizing the qualities which tell for success. Just as little can we afford to follow those who fear to recognize injustice and to endeavor to cut it

out because the task is difficult or even — if performed by unskilful hands — dangerous.

This is an era of great combinations both of labor and of capital. In many ways these combinations have worked for good; but they must work under the law, and the laws concerning them must be just and wise, or they will inevitably do evil; and this applies as much to the richest corporation as to the most powerful labor union. Our laws must be wise, sane, healthy, conceived in the spirit of those who scorn the mere agitator, the mere inciter of class or sectional hatred; who wish justice for all men; who recognize the need of adhering so far as possible to the old American doctrine of giving the widest possible scope for the free exercise of individual initiative, and yet who recognize also that after combinations have reached a certain stage it is indispensable to the general welfare that the Nation should exercise over them, cautiously and with self-restraint, but firmly, the power of supervision and regulation.

Above all, the administration of the government, the enforcement of the laws, must be fair and honest. The laws are not to be administered either in the interest of the poor man or the interest of the rich man. They are simply to be administered justly; in the interest of justice to each man be he rich or be he poor — giving immunity to no violator, whatever form the violation may assume. Such is the obligation which every public servant takes, and to it he must be true under penalty of forfeiting the respect both of himself and of his fellows.



## THE CHURCH AND OUR INDUSTRIAL PROBLEMS

FROM AN ADDRESS AT AN OVERFLOW MEETING ON  
THE OCCASION OF THE CENTENNIAL OF PRES-  
BYTERIAN HOME MISSIONS, IN NEW YORK CITY,  
MAY 20, 1902

A GIANT work looms up before the churches in this country, and it is work which the churches must do. Our civilization has progressed in many ways for the right; in some ways it has gone wrong. The tremendous sweep of our industrial development has already brought us face to face on this continent with many a problem which has puzzled for generations the wisest people of the old world. With that growth in the complexity of our civilization, of our industrialism, has grown an increase in the effective power alike of the forces that tell for good and of the forces that tell for evil. The forces for evil, as our great cities grow, become more concentrated, more menacing to the community, and if the community is to go forward and not back they must be met and overcome by forces for good that have grown in corresponding degree. More and more in the future our churches must realize that we have a right to expect that they shall take the lead in shaping those forces for good.

I am not going to verge on the domain of theology, and still less of dogma. I do not think that at the present time there will be any dissent from the proposition that after all in this workaday world we must largely judge men by their fruits; that we can not accept a long succession

of thistle crops as indicating fig trees; and that we have a right to look to the churches for setting the highest possible standard of conduct and of service, public and private, for the whole land; that the church must make itself felt by finding its expression through the life work of its members; not merely on Sunday, but on week days; not merely within these walls, but at home and in business. We have a right to expect that you will show your faith by your works; that the people who have the inestimable advantages of the church-life and the home-life should be made to remember that as much has been given them, much will be expected of them; that they must lead upright lives themselves and be living forces in the war for decency among their surroundings; that we have a right to expect of you and those like you that you shall not merely speak for righteousness, but do righteousness in your own homes and in the world at large.

## THE RIGHT ATTITUDE TOWARD LABOR PROBLEMS

FROM AN ADDRESS DELIVERED IN THE COLISEUM,  
HARTFORD, CONNECTICUT, AUGUST 22, 1902

BEFORE beginning the speech that I had intended, and still intend, to make to you to-night, I wish to allude to an incident that happened this afternoon. In being driven around your beautiful city, I was taken through Pope Park, and stopped at a platform where I was presented with a great horseshoe of flowers, the gift of the workingmen of Hartford to the President of the United States. In Father Sullivan's speech he

laid primary stress upon the fact that it was a gift of welcome from the wage-workers, upon whom ultimately this government depends. And he coupled the words of giving with certain sentences in which he expressed his belief that I would do all that I could to show myself a good representative of the wage-workers. I should be utterly unfit for the position that I occupy if I failed to do all that in me lies to act, as light is given me to act, so as to represent the best thought and purpose of the wage-worker of the United States. At the outset of the twentieth century we are facing difficult and complex problems — problems social and economic — which will tax the best energies of all of us to solve aright, and which we can only solve at all if we approach them in a spirit not merely of common sense, but of generous desire to act each for all and all for each. While there are occasions when through legislative or administrative action the governmental representatives of the people can do especial service to one set of our citizens, yet I think you will agree with me that in the long run the best way in which to serve any one set of our citizens is to try to serve all alike well, to try to act in a spirit of fairness and justice to all — to give to each man his rights — to safeguard each man in his rights; and so far as in me lies, while I hold my present position I will be true to that conception of my duty.

NECESSITY OF ESTABLISHING FED-  
ERAL SOVEREIGNTY OVER  
"TRUSTS"

FROM AN ADDRESS DELIVERED IN PROVIDENCE,  
RHODE ISLAND, AUGUST 23, 1902

WE are passing through a period of great commercial prosperity, and such a period is as sure as adversity itself to bring mutterings of discontent. At a time when most men prosper somewhat some men always prosper greatly; and it is as true now as when the tower of Siloam fell upon all alike, that good fortune does not come solely to the just, nor bad fortune solely to the unjust. When the weather is good for crops it is good for weeds. Moreover, not only do the wicked flourish when the times are such that most men flourish, but, what is worse, the spirit of envy and jealousy springs up in the breasts of those who, though they may be doing fairly well themselves, see others no more deserving who do better.

Wise laws and fearless and upright administration of the laws can give the opportunity for such prosperity as we see about us. But that is all that they can do. When the conditions have been created which make prosperity possible, then each individual man must achieve it for himself by his own energy and thrift and business intelligence. If when people wax fat they kick, as they have kicked since the days of Jeshurun, they will speedily destroy their own prosperity. If they go into wild speculation and lose their heads they have lost that which no laws can supply. If in a spirit of sullen envy

they insist upon pulling down those who have profited most in the years of fatness, they will bury themselves in the crash of the common disaster. It is difficult to make our material condition better by the best laws, but it is easy enough to ruin it by bad laws.

The upshot of all this is that it is peculiarly incumbent upon us in a time of such material well-being, both collectively as a nation and individually as citizens, to show, each on his own account, that we possess the qualities of prudence, self-knowledge, and self-restraint. In our government we need above all things stability, fixity of economic policy; while remembering that this fixity must not be fossilization, that there must not be inability to shift our laws so as to meet our shifting national needs. There are real and great evils in our social and economic life, and these evils stand out in all their ugly baldness in time of prosperity; for the wicked who prosper are never a pleasant sight. There is every need of striving in all possible ways, individually and collectively, by combinations among ourselves and through the recognized governmental agencies, to cut out those evils. All I ask is to be sure that we do not use the knife with an ignorant zeal which would make it more dangerous to the patient than to the disease.

One of the features of the tremendous industrial development of the last generation has been the very great increase in private, and especially in corporate, fortunes. We may like this or not, just as we choose, but it is a fact nevertheless; and as far as we can see it is an inevitable result of the working of the various causes, prominent among them steam and electricity. Urban pop-



ulation has grown in this country, as in all civilized countries, much faster than the population as a whole during the last century. If it were not for that Rhode Island could not to-day be the State she is. Rhode Island has flourished as she has flourished because of the conditions which have brought about the great increase in urban life. There is evil in these conditions, but you can't destroy it unless you destroy the civilization they have brought about. Where men are gathered together in great masses it inevitably results that they must work far more largely through combinations than where they live scattered and remote from one another. Many of us prefer the old conditions of life, under which the average man lived more to himself and by himself, where the average community was more self-dependent, and where even though the standard of comfort was lower on the average, yet there was less of the glaring inequality in worldly conditions which we now see about us in our great cities. It is not true that the poor have grown poorer; but some of the rich have grown so very much richer that, where multitudes of men are herded together in a limited space, the contrast strikes the onlooker as more violent than formerly. On the whole, our people earn more and live better than ever before, and the progress of which we are so proud could not have taken place had it not been for the upbuilding of industrial centres, such as this in which I am speaking.

But together with the good there has come, a measure of evil. Life is not so simple as it was; and surely, both for the individual and the community, the simple life is normally the

healthy life. There is not in the great cities the feeling of brotherhood which there is still in country localities; and the lines of social cleavage are far more deeply marked.

For some of the evils which have attended upon the good of the changed conditions we can at present see no complete remedy. For others the remedy must come by the action of men themselves in their private capacity, whether merely as individuals or by combination. For yet others some remedy can be found in legislative and executive action—national, State, or municipal. Much of the complaint against combinations is entirely unwarranted. Under present-day conditions it is as necessary to have corporations in the business world as it is to have organizations, unions, among wage-workers. We have a right to ask in each case only this: that good, and not harm, shall follow. Exactly as labor organizations, when managed intelligently and in a spirit of justice and fair play, are of very great service not only to the wage-workers, but to the whole community, as has been shown again and again in the history of many such organizations; so wealth, not merely individual, but corporate, when used aright is not merely beneficial to the community as a whole, but is absolutely essential to the upbuilding of such a series of communities as those whose citizens I am now addressing. This is so obvious that it ought to be too trite to mention, and yet it is necessary to mention it when we see some of the attacks made upon wealth, as such.

Of course a great fortune if used wrongly is a menace to the community. A man of great wealth who does not use that wealth decently is,

in a peculiar sense, a menace to the community, and so is the man who does not use his intellect aright. Each talent—the talent for making money, the talent for showing intellect at the bar, or in any other way—if unaccompanied by character, makes the possessor a menace to the community. But such a fact no more warrants us in attacking wealth than it does in attacking intellect. Every man of power, by the very fact of that power, is capable of doing damage to his neighbors; but we can not afford to discourage the development of such men merely because it is possible they may use their power for wrong ends. If we did so we should leave our history a blank, for we should have no great statesmen, soldiers, merchants, no great men of arts, of letters, of science. Doubtless on the average the most useful citizen to the community as a whole is the man to whom has been granted what the Psalmist asked for—neither poverty nor riches. But the great captain of industry, the man of wealth, who, alone or in combination with his fellows, drives through out great business enterprises, is a factor without whom the civilization that we see round about us here could not have been built up. Good, not harm, normally comes from the upbuilding of such wealth. Probably the greatest harm done by vast wealth is the harm that we of moderate means do ourselves when we let the vices of envy and hatred enter deep into our own natures.

But there is other harm; and it is evident that we should try to do away with that. The great corporations which we have grown to speak of rather loosely as trusts are the creatures of the State, and the State not only has the right to

control them, but it is in duty bound to control them wherever the need of such control is shown. There is clearly need of supervision — need to possess the power of regulation of these great corporations through the representatives of the public — wherever, as in our own country at the present time, business corporations become so very powerful alike for beneficent work and for work that is not always beneficent. It is idle to say that there is no need for such supervision. There is, and a sufficient warrant for it is to be found in any one of the admitted evils appertaining to them.

We meet a peculiar difficulty under our system of government, because of the division of governmental power between the Nation and the States. When the industrial conditions were simple, very little control was needed, and the difficulties of exercising such control under our Constitution were not evident. Now the conditions are complicated and we find it hard to frame national legislation which shall be adequate; while as a matter of practical experience it has been shown that the States either can not or will not exercise a sufficient control to meet the needs of the case. Some of our States have excellent laws — laws which it would be well indeed to have enacted by the National Legislature. But the widespread differences in these laws, even between adjacent States, and the uncertainty of the power of enforcement, result practically in altogether insufficient control. I believe that the nation must assume this power of control by legislation; if necessary by constitutional amendment. The immediate necessity in dealing with trusts is to place them under the

real, not the nominal, control of some sovereign to which, as its creatures, the trusts shall owe allegiance, and in whose courts the sovereign's orders may be enforced.

This is not the case with the ordinary so-called "trust" to-day; for the trust nowadays is a large State corporation, which generally does business in other States, often with a tendency toward monopoly. Such a trust is an artificial creature not wholly responsible to or controllable by any legislation, either by State or nation, and not subject to the jurisdiction of any one court. Some governmental sovereign must be given full power over these artificial, and very powerful, corporate beings. In my judgment this sovereign must be the national government. When it has been given full power, then this full power can be used to control any evil influence, exactly as the government is now using the power conferred upon it by the Sherman anti-trust law.

Even when the power has been granted it would be most unwise to exercise it too much, to begin by too stringent legislation. The mechanism of modern business is as delicate and complicated as it is vast, and nothing would be more productive of evil to all of us, and especially to those least well off in this world's goods, than ignorant meddling with this mechanism — above all, meddling in a spirit of class legislation or hatred or rancor. It is eminently necessary that the power should be had, but it is just as necessary that it should be exercised with wisdom and self-restraint. The first exercise of that power should be the securing of publicity among all great corporations doing an interstate business. The publicity, though non-inquisitorial,

should be real and thorough as to all important facts with which the public has concern. Daylight is a powerful discourager of evil. Such publicity would by itself tend to cure the evils of which there is just complaint; it would show us if evils existed, and where the evils are imaginary, and it would show us what next ought to be done.

Above all, let us remember that our success in accomplishing anything depends very much upon our not trying to accomplish everything. Distrust whoever pretends to offer you a patent cure-all for every ill of the body politic, just as you would a man who offers a medicine which would cure every evil of your individual body. A medicine that is recommended to cure both asthma and a broken leg is not good for either. Mankind has moved slowly upward through the ages, sometimes a little faster, sometimes a little slower, but rarely indeed by leaps and bounds. At times a great crisis comes in which a great people, perchance led by a great man, can at white heat strike some mighty blow for the right — make a long stride in advance along the path of justice and of orderly liberty. But normally we must be content if each of us can do something — not all that we wish, but something — for the advancement of those principles of righteousness which underlie all real national greatness, all true civilization and freedom. I see no promise of any immediate and complete solution of all the problems we group together when we speak of the trust question. But we can make a beginning in solving these problems, and a good beginning, if only we approach the subject with a sufficiency of resolution, of hon-



esty, and of that hard common-sense which is one of the most valuable, and not always one of the most common, assets in any nation's greatness. The existing laws will be fully enforced as they stand on the statute books without regard to persons, and I think good has already come from their enforcement. I think, furthermore, that additional legislation should be had and can be had, which will enable us to accomplish much more along the same lines. No man can promise a perfect solution, at least in the immediate future. But something has already been done, and much more can be done if our people temperately and determinedly will that it shall be done.

In conclusion let me add one word. While we are not to be excused if we fail to do whatever is possible through the agency of government, we must keep ever in mind that no action of the government, no action by combination among ourselves, can take the place of the individual qualities to which in the long run every man must owe the success he can make of life. There never has been devised, and there never will be devised, any law which will enable a man to succeed save by the exercise of those qualities which have always been the prerequisites of success — the qualities of hard work, of keen intelligence, of unflinching will. Such action can supplement those qualities but it can not take their place. No action by the State can do more than supplement the initiative of the individual; and ordinarily the action of the State can do no more than to secure to each individual the chance to show under as favorable conditions as possible the stuff that there is in him.

## THE RELATIONS OF CORPORATIONS TO THE PUBLIC

ADDRESS DELIVERED IN SYMPHONY HALL, BOSTON,  
AUGUST 25, 1902

I WANT to take up this evening the general question of our economic and social relations, with specific reference to that problem with which I think our people are now greatly concerning themselves — the problem of our complex social condition as intensified by the existence of the great corporations which we rather loosely designate as trusts. I have not come here to say that I have discovered a patent cure-all for any evils. When people's minds are greatly agitated on any subject, and especially when they feel deeply but rather vaguely that conditions are not right, it is far pleasanter in addressing them to be indifferent as to what you promise; but it is much less pleasant afterward when you come to try to carry out what has been promised. Of course the worth of a promise consists purely in the way in which the performance squares with it. That has two sides. In the first place, if a man is an honest man he will try just as hard to keep a promise made on the stump as one made off the stump. In the second place, if the people keep their heads they won't wish promises to be made which are impossible of performance. You see, one side of that question represents my duty, and the other side yours.

Mankind goes ahead but slowly, and it goes ahead mainly through each of us trying to do the best that is in him and to do it in the sanest way. We have founded our Republic upon the

theory that the average man will as a rule do the right thing, that in the long run the majority will decide for what is sane and wholesome. If our fathers were mistaken in that theory, if ever the times become such — not occasionally but persistently — that the mass of the people do what is unwholesome, what is wrong, then the Republic can not stand, I care not how good its laws, I care not what marvelous mechanism its Constitution may embody. Back of the laws, back of the administration, back of the system of government lies the man, lies the average manhood of our people, and in the long run we are going to go up or go down accordingly as the average standard of our citizenship does or does not wax in growth and grace.

The first requisite of good citizenship is that the man shall do the homely, every-day, humdrum duties well. A man is not a good citizen, I do not care how lofty his thoughts are about citizenship in the abstract, if in the concrete his actions do not bear them out; and it does not make much difference how high his aspirations for mankind at large may be, if he does not behave well in his own family those aspirations do not bear visible fruit. He must be a good breadwinner, he must take care of his wife and his children, he must be a neighbor whom his neighbors can trust, he must act squarely in his business relations,—he must do all those every-day ordinary duties first, or he is not a good citizen. But he must do more. In this country of ours the average citizen must devote a good deal of thought and time to the affairs of the State as a whole or those affairs will go backward; and he must devote that thought and that time stead-

ily and intelligently. If there is any one quality that is not admirable, whether in a nation or in an individual, it is hysterics, either in religion or in anything else. The man or woman who makes up for ten days' indifference to duty by an eleventh-day morbid repentance about that duty is of scant use in the world. Now in the same way it is of no possible use to decline to go through all the ordinary duties of citizenship for a long space of time and then suddenly to get up and feel very angry about something or somebody, not clearly defined, and demand reform, as if it were a concrete substance to be handed out forthwith.

This is preliminary to what I want to say to you about the whole question of great corporations as affecting the public. There are very many and very difficult problems with which we are faced as the results of the forces which have been in play for more than the lifetime of a generation. It is worse than useless for any of us to rail at or regret the great growth of our industrial civilization during the last half century. Speaking academically, we can, according to our several temperaments, regret that the old days with the old life have vanished, or not, just as we choose; but we are here to-night only because of the play of those great forces. There is but little use in regretting that things have been shaping themselves differently from what we might have preferred. The practical thing to do is to face the conditions as they are and see if we can not get the best there is in them out of them. Now we shall not get a complete or perfect solution for all of the evils attendant upon the development of the trusts by any single

action on our part. A good many actions in a good many different ways will be required before we get many of those evils even partially remedied. We must first of all think clearly; we must probably experiment somewhat; we must above all show by our actions that our interest is permanent and not spasmodic; and we must see that all proper steps are taken toward the solution. Now of course all this is perfectly trite. Every one who thinks knows that the only way in which any problem of great importance was ever successfully solved was by consistent and persistent effort toward a given end — effort that did not cease with any one election or with any one year, but was continued steadily, temperately, but resolutely, toward a given end. It is a little difficult to set clearly before us all of the evils attendant upon the working of some of our great corporations, but I think that those gentlemen, and especially those gentlemen of large means, who deny that the evils exist are acting with great folly. So far from being against property when I ask that the question of the trusts be taken up, I am acting in the most conservative sense in property's interest. When a great corporation is sued for violating the anti-trust law, it is not a move against property, it is a move in favor of property, because when we make it evident that all men, great and small alike, have to obey the law, we put the safeguard of the law around all men. When we make it evident that no man shall be excused for violating the law, we make it evident that every man will be protected from violations of the law.

Now one of the great troubles — I am inclined to think much the greatest trouble — in any im-

mediate handling of the question of the trusts comes from our system of government. Under this system it is difficult to say where the power is lodged to deal with these evils. Remember that I am not saying that even if we had all the power we could completely solve the trust question. If what we read in the papers is true, international trusts are now being planned. It is going to be very difficult for any set of laws on our part to deal completely with a problem which becomes international in its bearings. But a great deal can be done in various ways even now — a great deal is being done — and a great deal more can be done, if we see that the power is lodged somewhere to do it. On the whole, our system of government has worked marvelously well — the system of divided functions of government, of a scheme under which Maine, Louisiana, Oregon, Idaho, New York, Illinois, South Carolina, can all come together for certain purposes, and yet each be allowed to work out its salvation as it desires along certain other lines. On the whole, this has worked well; but in some respects it has worked ill. While I most firmly believe in fixity of policy, I do not believe that that policy should be fossilized, and when conditions change we must change our governmental methods to meet them. I believe with all my heart in the New England town meeting, but you can't work the New England town meeting in Boston — it is too big. You must devise something else. If you look back in the history of Boston you will find that Boston was very reluctant to admit this particular truth for some time in the first decades of the nineteenth century. When this government was founded there



were no great individual or corporate fortunes, and commerce and industry were being carried on very much as they had been carried on in the days when Nineveh and Babylon stood in the Mesopotamian Valley. Sails, oars, wheels—these were the instruments of commerce. The pack train, the wagon train, the rowboat, the sailing craft—these were the methods of commerce. Every thing has been revolutionized in the business world since then, and the progress of civilization from being a dribble has become a torrent. There was no particular need at that time of bothering as to whether the nation or the State had control of corporations. They were easy to control. Now, however, the exact reverse is the case. And remember when I say corporations I do not mean merely trusts technically so-called, merely combinations of corporations, or corporations under certain peculiar conditions. For instance, some time ago the Attorney-General took action against a certain trust. There was considerable discussion as to whether the trust aimed at would not seek to get out from under the law by becoming a single corporation. Now, I want laws that will enable us to deal with any evil no matter what shape it takes. I want to see the government able to get at it definitely, so that the action of the government can not be evaded by any turning within or without Federal or State statutes. At present we have really no efficient control over a big corporation which does business in more than one State. Frequently the corporation has nothing whatever to do with the State in which it is incorporated except to get incorporated; and all its business may be done in entirely different

communities — communities which may object very much to the methods of incorporation in the State named. I do not believe that you can get any action by any State, I do not believe it practicable to get action by all the States that will give us satisfactory control of the trusts, of big corporations; and the result is at present that we have a great, powerful, artificial creation which has no creator to which it is responsible. The creator creates it and then it goes and operates somewhere else; and there is no interest on the part of the creator to deal with it. It does not do anything where the creator has power; it operates entirely outside of the creator's jurisdiction.

It is of course a mere truism to say that the corporation is the creature of the State, that the State is sovereign. There should be a real and not a nominal sovereign, some one sovereign to which the corporation shall be really and not nominally responsible. At present if we pass laws nobody can tell whether they will amount to anything. That has two bad effects. In the first place, the corporation becomes indifferent to the law-making body; and in the next place, the law-making body gets into that most pernicious custom of passing a law not with reference to what will be done under it, but with reference to its effects upon the opinions of the voters. That is a bad thing. When any body of law-makers passes a law, not simply with reference to whether that law will do good or ill, but with the knowledge that not much will come of it, and yet that perhaps the people as a whole will like to see it on the statute books — it does not speak well for the law-makers, and it does not

speak well for the people, either. What I hope to see is power given to the National Legislature which shall make the control real. It would be an excellent thing if you could have all the States act on somewhat similar lines so that you would make it unnecessary for the national government to act; but all of you know perfectly well that the States will not act on similar lines. No advance whatever has been made in the direction of intelligent dealing by the States as a collective body with these great corporations. Here in Massachusetts you have what I regard as, on the whole, excellent corporation laws. Most of our difficulties would be in a fair way of solution if we had the power to put upon the national statute books, and did put upon them, laws for the nation much like those you have here on the subject of corporations in Massachusetts. So you can see, gentlemen, I am not advocating anything very revolutionary. I am advocating action to prevent anything revolutionary. Now, if we can get adequate control by the nation of these great corporations, then we can pass legislation which will give us the power of regulation and supervision over them. If the nation had that power, mind you, I should advocate as strenuously as I know how that the power should be exercised with extreme caution and self-restraint. No good will come from plunging in without having looked carefully ahead. The first thing we want is publicity; and I do not mean publicity as a favor by some corporations — I mean it as a right from all corporations affected by the law. I want publicity as to the essential facts in which the public has an interest. I want the knowledge given to the accredited representatives of

the people of facts upon which those representatives can if they see fit base their actions later. The publicity itself would cure many evils. The light of day is a great deterrer of wrongdoing. The mere fact of being able to put out nakedly, and with the certainty that the statements were true, a given condition of things that was wrong, would go a long distance toward curing that wrong; and, even where it did not cure it, would make the path evident by which to cure it. We would not be leaping in the dark; we would not be striving blindly to see what was good and what bad. We would know what the facts were and be able to shape our course accordingly.

A good deal can be done now, a good deal is being done now. As far as the anti-trust laws go they will be enforced. No suit will be undertaken for the sake of seeming to undertake it. Every suit that is undertaken will be begun because the great lawyer and upright man whom we are fortunate enough to have as Attorney-General, Mr. Knox, believes that there is a violation of the law which we can get at; and when the suit is undertaken it will not be compromised except upon the basis that the government wins. Of course, gentlemen, no laws amount to anything unless they are administered honestly and fearlessly. We must have such administration or the law will amount to nothing. I believe that it is possible to frame national legislation which shall give us far more power than we now have, at any rate over corporations doing an interstate business. I can not guarantee that, because in the past it has more than once happened that we have put laws on the statute books which those who made them intended to mean

one thing, and when they came up for decision by the courts, it was found that the intention had not been successfully put into effect. But I believe that additional legislation can be had. If my belief is wrong, if it proves evident that we can not, under the Constitution as it is, give the national administration sufficient power to deal with these great corporations, then no matter what our reverence for the past, our duty to the present and the future will force us to see that some power is conferred upon the national government. And when that power has been conferred, then it will rest with the national government to exercise it.

## WISE AND UNWISE METHODS FOR REMEDYING TRUST EVILS

FROM AN ADDRESS DELIVERED IN FITCHBURG,  
MASS., SEPTEMBER 2, 1902

THERE are two or three things that I should like to say to this audience, but before beginning what I have to say on some of the problems of the day, I wish to thank for their greeting, not only all of you, my fellow-citizens here, but particularly the men of the great war, and second only to them my comrades of a lesser war, where, I hope, we showed that we were anxious to do our duty, as you had done yours, only the need did not come to us.

We have great problems before us as a nation. I will not try to discuss them at length with you to-day, but I can speak a word as to the manner in which they must be met if they are to be met successfully. All great works, though they dif-

fer in the method of doing them, must be solved by substantially the same qualities. You who upheld the arms of Lincoln, who followed the sword of Grant, were able to do your duty not because you found some patent device for doing it, but by going down to the bedrock principles which had made good soldiers since the world began.

There was no method possible to devise which would have spared you from heart-breaking fatigue on the marches, from hardships at night, from danger in battle. The only way to overcome those difficulties and dangers was by drawing on every ounce of hardihood, of courage, of loyalty, and of iron resolution. That is how you had to win out. You had to win as the soldiers of Washington had won before you, as we of the younger generation must win if ever the call should be made upon us to face a serious foe. Arms change, tactics change, but the spirit that makes the real soldier does not change. The spirit that makes for victory does not change.

It is just so in civic life. The problems change, but fundamentally the qualities needed to face them in the average citizen are the same. Our new and highly complex industrial civilization has produced a new and complicated series of problems. We need to face those problems and not to run away from them. We need to exercise all our ingenuity in trying to devise some effective solution, but the only way in which that solution can be applied is the old way of bringing honesty, courage, and common-sense to bear upon it. One feature of honesty and common-sense combined is never to promise what you do not think you can perform, and then



never fail to perform what you have promised. And that applies in public life just as much as in private life.

If some of those who have seen cause for wonder in what I have said this summer on the subject of the great corporations, which are popularly, although with technical inaccuracy, known as trusts, would take the trouble to read my messages when I was Governor, what I said on the stump two years ago, and what I put into my first message to Congress, I think they would have been less astonished. I said nothing on the stump that I did not think I could make good, and I shall not hesitate now to take the position which I then advocated.

I am even more anxious that you who hear what I say should think of it than that you should applaud it. I am not going to try to define with technical accuracy what ought to be meant when we speak of a trust. But if by trust we mean merely a big corporation, then I ask you to ponder the utter folly of the man who either in a spirit of rancor or in a spirit of folly says "destroy the trusts," without giving you an idea of what he means really to do. I will go with him if he says destroy the evil in the trusts, gladly. I will try to find out that evil, I will seek to apply remedies, which I have already outlined in other speeches; but if his policy, from whatever motive, whether hatred, fear, panic or just sheer ignorance, is to destroy the trusts in a way that will destroy all our property — no. Those men who advocate wild and foolish remedies which would be worse than the disease are doing all in their power to perpetuate the evils against which they nominally war, because, if we are brought

face to face with the naked issue of either keeping or totally destroying a prosperity in which the majority share, but in which some share improperly, why, as sensible men, we must decide that it is a great deal better that some people should prosper too much than that no one should prosper enough. So that the man who advocates destroying the trusts by measures which would paralyze the industries of the country is at least a quack, and at worst an enemy to the Republic.

In 1893 there was no trouble about anybody making too much money. The trusts were down, but the trouble was that we were all of us down. Nothing but harm to the whole body politic can come from ignorant agitation, carried on partially against real evils, partially against imaginary evils, but in a spirit which would substitute for the real evils, evils just as real and infinitely greater. Those men, if they should succeed, could do nothing to bring about a solution of the great problems with which we are concerned. If they could destroy certain of the evils at the cost of overthrowing the well-being of the entire country, it would mean merely that there would come a reaction in which they and their remedies would be hopelessly discredited.

Now, it does not do anybody any good, and it will do most of us a great deal of harm, to take steps which will check any proper growth in a corporation. We wish not to penalize but to reward a great captain of industry or the men banded together in a corporation who have the business forethought and energy necessary to build up a great industrial enterprise. Keep that in mind. A big corporation may be doing excellent work for the whole country, and you

want, above all things, when striving to get a plan which will prevent wrongdoing by a corporation which desires to do wrong, not at the same time to have a scheme which will interfere with a corporation doing well, if that corporation is handling itself honestly and squarely. What I am saying ought to be treated as simple, elementary truths. The only reason it is necessary to say them at all is that apparently some people forget them.

I believe something can be done by national legislation. When I state that I ask you to note my words. I say I believe. It is not in my power to say I know. When I talk to you of my own executive duties I can tell you definitely what will and what will not be done. When I speak of the actions of any one else I can only say that I believe something more can be done by national legislation. I believe it will be done. I think we can get laws which will increase the power of the Federal Government over corporations; if we can not, then there will have to be an amendment to the Constitution of the nation conferring additional power upon the Federal Government to deal with corporations. To get that will be a matter of difficulty, and a matter of time.

Let me interrupt here by way of illustration. You of the great war recollect that about six weeks after Sumpter had been fired on there began to be loud clamor in the North among people who were not at the front that you should go to Richmond; and there were any number of people who told you how to go there. Then came Bull Run, and a lot of those same people who a fortnight before had been yelling "On

to Richmond at once," turned around and said the war was over. All the hysteric brotherhood said so. But you didn't think so. The war was not over. It was not over for three years and nine months, and then it was over the other way. And you got it over by setting your faces steadily toward the goal, by not relying upon anything impossible, but by each doing everything possible that came in his line to do, by each man doing his duty. You did not win by any patent device; you won by the generalship of Grant and Sherman and Thomas and Sheridan, and, above all, by the soldiership of the men who carried the muskets and the sabres. It did not come as soon as you wanted, and the men who said it would come at once did not help you much either.

In dealing with any great problem in civil life, be it the trusts or anything else, you are going to get along in just about the same fashion. There is not any patent remedy for all the ills. All we can do is to make up our minds definitely that we intend to find some method by which we shall be able to tell, in the first place, what are the real evils and what of the alleged evils are imaginary; in the next place, what of those real evils it is possible to cure by legislation; and then to cure them by legislation and by an honest administration of the laws after they have been enacted. That statement of the problem will never be attractive to the man who thinks that somehow, by turning your hand, you are going to get a complete solution at once.

Grant's plan of fighting it out on that line, if it took all summer, was not attractive to the men who wanted it done in a week. But it was the only plan that won. The only way we can ever

work out even an approximately satisfactory solution of these great industrial problems, of which this so-called problem of the trusts is but one, is by approaching them in a spirit which shall combine equally sanity and self-restraint on the one hand and resolute purpose on the other.

It is not given to me or to any one else to promise a perfect solution. It is not given to me or to any one else to promise you even an approximately perfect solution in a short time. But I think that we can work out a very great improvement over the present conditions, and the steps taken must, I am sure, be along these lines — along the lines, in the first place, of getting power somewhere so that we shall be able to say, the nation has power, let it use that power — and not as it is at present, where it is out of the question to say exactly where the power is.

We must get power first, then use that power fearlessly, but with moderation. Let me say that again — with moderation, with sanity, with self-restraint. The mechanism of modern business is altogether too delicate and too complicated for us to sanction for one moment any intermeddling with it in a spirit of ignorance, above all in a spirit of rancor. Something can be done, something is being done now. Much more can be done if our people resolutely but temperately will that it shall be done. But the certain way of bringing great harm upon ourselves, without in any way furthering the solution of the problem, but, on the contrary, deferring indefinitely its proper solution, would be to act in a spirit of ignorance, of violence, of rancor, in a spirit which would make us tear down the temple of industry in which we live because we are not

satisfied with some of the details of its management.

I want you to think of what I have said, because it represents all of the sincerity and earnestness that I have, and I say to you here, from this platform, nothing that I have not already stated in effect, and nothing I would not say at a private table with any of the biggest corporation managers in the land.

### LIMITATIONS ON THE AID GOVERNMENT CAN GIVE THE INDIVIDUAL

FROM AN ADDRESS DELIVERED IN DALTON, MASS.,  
SEPTEMBER 3, 1902

It seems to me that in a town like this we not only have but ought to have a better standard of citizenship and a more thorough appreciation of the rights and duties of the individual citizen and of the possibilities of government than in almost any other community. Here is a town where you have both farming and manufacturing, where you have on a small scale all the elements that go to make up the industrial life of the nation as a whole — the capitalist and wage-earner, the farmer and hired man, merchant, men of the professions, you have them all; you see the forces that have built up the nation and that are at work in the nation, in play round about you in the farms, in the factories, in the houses, right among your neighbors and friends. When men live in a big city they lose touch with one another; they tend to lose intimate touch with the government, and they get to speak of the state, of the government, as something entirely apart from them.



Now the government is us, here, you and me, and that ought to make us understand on the one hand what we have a right to expect from the government, and on the other hand what it is foolish to expect from the government. We have a right to expect from it that it will secure us against injustice; that so far as is humanly possible it will secure for each man a fair chance; that it will do justice as between man and man, and that it will not respect persons; that in that division of the government dealing with justice each man shall stand absolutely on his merits, not being discriminated for or against because of his wealth or his poverty, because of anything but his own conduct.

The government can take hold of certain functions which are in the interest of the people as a whole. More than this the government can not do or else does at the risk of doing it badly. The government can not supply the lack in any man of the qualities which must determine in the last resort the man's success or failure. Instead of "government" say "the town." Now what can the town do for you? A good deal; but not nearly as much as you can do for it, not nearly as much as you must do for yourself. The government can not make a man a success in life. If we would remember that and remember that when we use the large terms of the government and nation, we only mean the town on a large scale, there would be much less danger in our thinking that perhaps by some queer patent device or some scheme, the state, the government, the town, can supply the lack of individual thrift, energy, enterprise, resolution. It can not supply such lack. Something can be done by govern-

ment, that is, by all of us acting together to protect the rights of all, to accomplish certain things for all. Something can be accomplished by helping one another. He is a poor creature who does not give help generously when the chance comes. But finally in the last resort the man who wins now will be the man of the type who has won always, the man who can win for himself. Do not make the mistake of thinking that it is possible ever to call in any outside force to take the place of the man's own individual initiative, the man's individual capacity to do work worth doing.

## PROBLEMS GROWING OUT OF MODERN INDUSTRIAL REVOLUTION

FROM AN ADDRESS DELIVERED IN WHEELING,  
WEST VIRGINIA, SEPTEMBER 6, 1903

I AM glad to have the chance of saying a few words here in this great industrial centre in one of those regions which have felt to a notable degree the effects of the period of prosperity through which we are now passing. Probably never before in our history has the country been more prosperous than it is at this moment; and it is a prosperity which has come alike to the tillers of the soil and to those connected with our great industrial enterprises.

Every period has its own troubles and difficulties. A period of adversity, of course, troubles us all; but there are troubles in connection with a period of prosperity also. When all things flourish it means that there is a good chance for things that we don't like to flourish also, just

exactly as things that we do like. A period of great national material well-being is inevitably one in which men's minds are turned to the way in which those flourish who are interested in the management of the gigantic capitalistic corporations, whose growth has been so noted a feature of the last half century — the corporations which we have grown to speak of rather loosely as trusts — accepting the word in its usual and common significance as a big corporation usually doing business in several States at least, besides the State in which it is incorporated, and often, though not always, with some element of monopoly in it.

It seems to me that in dealing with this problem of the trusts — perhaps it would be more accurate to say the group of problems which come into our minds when we think of the trusts — we have two classes of our fellow-citizens whom we have to convert or override. One is composed of those men who refuse to admit that there is any action necessary at all. The other is composed of those men who advocate some action so extreme, so foolish, that it would either be entirely non-effective, or, if effective, would be so only by destroying everything, good and bad, connected with our industrial development.

In every governmental process the aim that a people capable of self-government should steadfastly keep in mind is to proceed by evolution rather than revolution. On the other hand, every people fit for self-government must beware of that fossilization of mind which refuses to allow of any change as conditions change. Now, in dealing with the whole problem of the change in our great industrial civilization — in dealing

with the tendencies which have been accentuated in so extraordinary a degree by steam and electricity, and by the tremendous upbuilding of industrial centres which steam and electricity have been the main factors in bringing about—I think we must set before ourselves the desire not to accept less than the possible, and at the same time not to bring ourselves to a complete standstill by attempting the impossible. It is a good deal as it is in taking care through the engineers, of the lower Mississippi River. No one can dam the Mississippi. If the nation started to dam it, the nation would waste its time. It would not hurt the Mississippi, but it would not only throw away its own means, but would incidentally damage the population along the banks. You can't dam the current. You can build levees to keep the current within bounds and to shape its direction. I think that is exactly what we can do in connection with these great corporations known as trusts. We can not reverse the industrial tendency of the age. If you succeed in doing it, then all cities like Wheeling will have to go out of business. Remember that. You can not put a stop to or reverse the industrial tendencies of the age, but you can control and regulate them and see that they do no harm.

A flood comes down the Mississippi—you can't stop it. If you tried to build a dam across it, it would not hurt the flood, and it would not benefit you. You can guide it between levees so as to prevent its doing injury, and so as to ensure its doing good. Another thing: you don't build those levees in a day or in a month. A man who told you that he had a patent device by which in sixty days he would solve the whole

question of the floods along the lower Mississippi would not be a wise man; but he would be a perfect miracle of wisdom compared to the man who tells you that by any one patent remedy he can bring the millennium in our industrial and social affairs.

We can do something; I believe we can do a good deal, but our accomplishing what I expect to see accomplished is conditioned upon our setting to work in a spirit as far removed as possible from hysteria — a spirit of sober, steadfast, kindly — I want to emphasize that — kindly determination not to submit to wrong ourselves and not to wrong others, not to interfere with the great business development of the country, and at the same time so to shape our legislation and administration as to minimize, if we can not eradicate, the unpleasant and vicious features connected with that industrial development. I have said that there can be no patent remedy. There is not any one thing which can be done to remove all of the existing evils. There are a good many things which, if we do them all, will, I believe, make a very appreciable betterment in the existing conditions. To do that is not to make a promise that will evoke wild enthusiasm, but a promise that can be kept; and in the long run it is much more comfortable only to make promises that can be kept than to make promises which are sure of an immense reception when made, but which entail intolerable humiliation when it is attempted to carry them out.

I am sufficiently fortunate to be advocating now, as President, precisely the remedies that I advocated two years ago — advocating them not in any partisan spirit, because, gentle-

men, this problem is one which affects the life of the nation as a whole — but advocating them simply as the American citizen who, for the time being, stands as the Chief Executive and, therefore, the special representative of his fellow-American citizens of all parties.

A century and a quarter ago there had been no development of industry such as to make it a matter of the least importance whether the nation or the State had charge of the great corporations or supervised the great business and industrial organizations. A century and a quarter ago, here at Wheeling, commerce was carried on by pack train, by wagon train, by boat. That was the way it was carried on throughout the whole civilized world — oars and sails, wheeled vehicles and beasts of burden — those were the means of carrying on commerce at the end of the eighteenth century, when this country became a nation.

There had been no radical change, no essential change, in the means of carrying on commerce from the days when the Phœnician galleys plowed the waters of the Mediterranean. For four or five thousand years, perhaps longer, from the immemorial past when Babylon and Nineveh stood in Mesopotamia, when Thebes and Memphis were mighty in the valley of the Nile — from that time on through the supremacy of Greece and of Rome, through the upbuilding of the great trading cities like Venice and Genoa in Italy; like the cities of the Rhine and the Netherlands in Northern Europe — on through the period of the great expansion of European civilization which followed the voyages of Columbus and Vasco da Gama, down to the time when this



country became a nation — the means of commercial intercourse remained substantially unchanged. Those means, therefore, limited narrowly what could be done by any corporation, the growth that could take place in any community.

Suddenly, during our own lifetime as a nation — a lifetime trivial in duration compared to the period of recorded history — there came a revolution in the means of intercourse which made a change in commerce, and in all that springs from commerce, in industrial development, greater than all the changes of the preceding thousands of years. A greater change in the means of commerce of mankind has taken place since Wheeling was founded, since the first settlers built their log huts in the great forests on the banks of this river, than in all the previous period during which man had led an existence that can be called civilized.

Through the railway, the electric telegraph, and other developments, steam and electricity worked a complete revolution. This has meant, of course, that entirely new problems have sprung up. You have right in this immediate neighborhood a very much larger population than any similar region in all the United States held when the Continental Congress began its sessions; and the change in industrial conditions has been literally immeasurable. Those changed conditions need a corresponding change in the governmental agencies necessary for their regulation and supervision.

Such agencies were not provided, and could not have been provided, in default of a knowledge of prophecy by the men who founded the

Republic. In those days each State could take care perfectly well of any corporations within its limits, and all it had to do was to try to encourage their upbuilding. Now the big corporations, although nominally the creatures of one State, usually do business in other States, and in a very large number of cases the wide variety of State laws on the subject of corporations has brought about the fact that the corporation is made in one State, but does almost all its work in entirely different States.

It has proved utterly impossible to get anything like uniformity of legislation among the States. Some States have passed laws about corporations which, if they had not been ineffective, would have totally prevented any important corporate work being done within their limits. Other States have such lax laws that there is no effective effort made to control any of the abuses. As a result we have a system of divided control—where the nation has something to say, but it is a little difficult to know exactly how much, and where the different States have each something to say, but where there is no supreme power that can speak with authority. It is, of course, a mere truism to say that every corporation, the smallest as well as the largest, is the creature of the State. Where the corporation is small there is very little need of exercising much supervision over it, but the stupendous corporations of the present day certainly should be under governmental supervision and regulation. The first effort to make is to give somebody the power to exercise that supervision, that regulation. We have already laws on the statute books. Those laws will be enforced, and are

being enforced, with all the power of the National Government, and wholly without regard to persons. But the power is very limited. Now I want you to take my words at their exact value. I think — I can not say I am sure, because it has often happened in the past that Congress has passed a law with a given purpose in view, and when that law has been judicially interpreted it has proved that the purpose was not achieved — but I think that by legislation additional power in the way of regulation of at least a number of these great corporations can be conferred. But, gentlemen, I firmly believe that in the end power must be given to the National Government to exercise in full supervision and regulation of these great enterprises, and, if necessary, a Constitutional amendment must be resorted to for this purpose.

That is not new doctrine for me. That is the doctrine that I advocated on the stump two years ago. Some of my ultra-conservative friends have professed to be greatly shocked at my advocating it now. I would explain to those gentlemen, once for all, that they err whenever they think that I advocate on the stump anything that I will not try to put into effect after election. The objection is made that working along these lines will take time. So it will. Let me go back to my illustration of the Mississippi River. It took time to build the levees, but we built them. And if we have the proper intelligence, the proper resolution, and the proper self-restraint, we can work out the solution along the lines that I have indicated. Thus, the first thing is to give the National Government the power. All the power that is given, I

can assure you, will be used in a spirit as free as possible from rancor of any kind, but with the firmest determination to make big man and little man alike obey the law.

What we need first is power. Having gotten the power, remember the work won't be ended—it will be only fairly begun. And let me say again and again and again that you will not get the millennium—the millennium is some way off yet. But you will be in a position to make long strides in advance in the direction of securing a juster, fairer, wiser management of many of these corporations, both as regards the general public and as regards their relationship among themselves and to the investing public. When we have the power I most earnestly hope, and should most earnestly advocate, that it be used with the greatest wisdom and self-restraint.

The first thing to do would be to find out the facts. For that purpose I am absolutely clear that we need publicity—that we need it not as a matter of favor from any one corporation, but as a matter of right, secured through the agents of the Government, from all the corporations concerned. The mere fact of the publicity itself will tend to stop many of the evils, and it will show that some other alleged evils are imaginary, and finally in making evident the remaining evils—those that are not imaginary and that are not cured by the simple light of day—it will give us an intelligent appreciation of the methods to take in getting at them. We should have, under such circumstances, one sovereign to whom the big corporations should be responsible—a sovereign in whose courts a corporation could be held accountable for any

failure to comply with the laws of the legislature of that sovereign. I do not think you can accomplish that among the forty-six sovereigns of the States. I think that it will have to be through the National Government.

## THE ORGANIZATION OF LABOR

FROM AN ADDRESS DELIVERED TO THE BROTHERHOOD OF LOCOMOTIVE FIREMEN, IN CHATTANOOGA, TENNESSEE, SEPTEMBER 8, 1902

I AM glad to be here to-day. I am glad to come as the guest of the Brotherhood. Let me join with you, the members of the Brotherhood of this country, in extending a most cordial welcome to our fellows from Canada and Mexico. The fact that we are good Americans only makes us all the better men, all the more desirous of seeing good fortune to all mankind. I needed no pressing to accept the invitation tendered through you, Mr. Hannahan, and through Mr. Arnold, to come to this meeting. I have always admired greatly the railroad men of the country, and I do not see how any one who believes in what I regard as the fundamental virtues of citizenship can fail to do so. I want to see the average American a good man, an honest man, and a man who can handle himself, and does handle himself, well under difficulties. The last time I ever saw General Sherman, I dined at his house, and we got to talking over the capacity of different types of soldiers, and the General happened to say that if ever there were another war, and he were to have a command, he should endeavor to get as many railway men

as possible under him. I asked him why, and he said, "Because on account of their profession they have developed certain qualities which are essential in a soldier." In the first place, they are accustomed to taking risks. There are a great many men who are naturally brave, but who, being entirely unaccustomed to risks, are at first appalled by them. Railroad men are accustomed to enduring hardship; they are accustomed to irregular hours; they are accustomed to act on their own responsibility, on their own initiative, and yet they are accustomed to obeying orders quickly. There is not anything more soul-harrowing for a man in time of war, or for a man engaged in a difficult job in time of peace, than to give an order and have the gentleman addressed say "What?" The railroad man has to learn that when an order is issued there may be but a fraction of a second in which to obey it. He has to learn that orders are to be obeyed, and, on the other hand, that there will come plenty of crises in which there will be no orders to be obeyed, and he will have to act for himself.

Those are all qualities that go to the very essence of good soldiership, and I am not surprised at what General Sherman said. In raising my own regiment, which was raised mainly in the Southwest, partly in the Territory in which Mr. Sargent himself served as a soldier at one time—in Arizona—I got a number of railroad men. Of course, the first requisite was that a man should know how to shoot and how to ride. We were raising the regiment in a hurry, and we did not have time to teach him either. He had to know how to handle a horse and how to handle a rifle, to start with. But



given the possession of those two qualities, I found that there was no group of our citizens from whom better men could be drawn to do a soldier's work in a tight place and at all times than the railroad men.

But, gentlemen, the period of war is but a fractional part of the life of our Republic, and I earnestly hope and believe that it will be an even smaller part in the future than it has been in the past. It was the work that you have done in time of peace that especially attracted me to you, that made me anxious to come down here and see you, and that made me glad to speak to you, not for what I can tell you, but for the lesson it seems to me can be gained by all of our people from what you have done.

At the opening of the twentieth century we face conditions vastly changed from what they were in this country and throughout the world a century ago. Our complex industrial civilization under which progress has been so rapid, and in which the changes for good have been so great, has also inevitably seen the growth of certain tendencies that are not for good, or at least that are not wholly for good; and we in consequence, as a people, like the rest of civilized mankind, find set before us for solution during the coming century problems which need the best thought of all of us, and the most earnest desire of all to solve them well if we expect to work out a solution satisfactory to our people, a solution for the advantage of the nation. In facing these problems, it must be a comfort to every well-wisher of the nation to see what has been done by your organization. I believe emphatically in organized labor. I believe in

organizations of wage-workers. Organization is one of the laws of our social and economic development at this time. But I feel that we must always keep before our minds the fact that there is nothing sacred in the name itself. To call an organization an organization does not make it a good one. The worth of an organization depends upon its being handled with the courage, the skill, the wisdom, the spirit of fair dealing as between man and man, and the wise self-restraint which, I am glad to be able to say, your Brotherhood has shown. You now number close upon 44,000 members. During the two years ending June 30 last you paid into the general and beneficiary funds close upon a million and a half dollars. More than six and one-half millions have been paid in since the starting of the insurance clause in the constitution — have been paid to disabled members and their beneficiaries. Over fifty per cent of the amount paid was paid on account of accidents. Gentlemen, that is a sufficient commentary upon the kind of profession which is yours. You face death and danger in time of peace, as in time of war the men wearing Uncle Sam's uniform must face them.

Your work is hard. Do you suppose I mention that because I pity you? No; not a bit. I don't pity any man who does hard work worth doing. I admire him. I pity the creature who doesn't work, at whichever end of the social scale he may regard himself as being. The law of worthy work well done is the law of successful American life. I believe in play, too — play, and play hard while you play; but don't make the mistake of thinking that that is the

main thing. The work is what counts, and if a man does his work well and it is worth doing, then it matters but little in which line that work is done; the man is a good American citizen. If he does his work in slipshod fashion, then no matter what kind of work it is, he is a poor American citizen.

I speak to the Brotherhood of Locomotive Firemen, but what I say applies to all railroad men—not only to the engineers who have served an apprenticeship as firemen, to the conductors, who, as a rule, have served an apprenticeship as brakemen, but to all the men of all the organizations connected with railroad work. I know you do not grudge my saying that, through you, I am talking to all the railroad men of the country. You, in your organization as railroad men, have taught two lessons; the lesson of how much can be accomplished by organization, by mutual self-help of the type that helps another in the only way by which, in the long run,—that is, by teaching him to help himself. You teach the benefits of organization, and you also teach the indispensable need of keeping absolutely unimpaired the faculty of individual initiative, the faculty by which each man brings himself to the highest point of perfection by exercising the special qualities with which he is himself endowed. The Brotherhood has developed to this enormous extent since the days, now many years ago, when the first little band came together; and it has developed, not by crushing out individual initiative, but by developing it, by combining many individual initiatives.

The Brotherhood of Firemen does much for

all firemen, but I firmly believe that the individual fireman since the growth of the Brotherhood has been more, not less, efficient than he was twenty years ago. Membership in the Brotherhood comes, as I understand it, after a nine months' probationary period; after a man has shown his worth, he is then admitted and stands on his footing as a brother. Now, any man who enters with the purpose of letting the Brotherhood carry him is not worth much. The man who counts in the Brotherhood is the man who pulls his own weight and a little more. Much can be done by the Brotherhood. I have just hinted in the general figures I gave you, at how much has been done, but it still remains true in the Brotherhood, and everywhere else throughout American life, that in the last resort nothing can supply the place of the man's own individual qualities. We need those, no matter how perfect the organization is outside. There is just as much need of nerve, hardihood, power to face risks and accept responsibilities, in the engineer and the fireman, whether on a flyer or on a freight train, now as there ever was. Much can be done by the Association. A great deal can be accomplished by working each for all and all for each; but we must not forget that the first requisite in accomplishing that is that each man should work for others by working for himself, by developing his own capacity.

The steady way in which a man can rise is illustrated by a little thing that happened yesterday. I came down here over the Queen and Crescent Railroad, and the General Manager, who handled my train and who handled yours,

was Mr. MaGuire. I used to know him in the old days when he was on his way up, and he began right at the bottom. He was a fireman at one time. He worked his way straight up, and now he is General Manager.

I believe so emphatically in your organization because, while it teaches the need of working in union, of working in association, of working with deep in our hearts, not merely on our lips, the sense of Brotherhood, yet of necessity it still keeps, as your organization always must keep, to the forefront the worth of the individual qualities of a man. I said to you that I came here in a sense not to speak to you, but to use your experience as an object-lesson for all of us, an object-lesson in good American citizenship. All professions, of course, do not call for the exercise to the same degree of the qualities of which I have spoken. Your profession is one of those which I am inclined to feel play in modern life a greater part from the standpoint of character than we entirely realize. There is in modern life, with the growth of civilization and luxury, a certain tendency to softening of the national fibre. There is a certain tendency to forget, in consequence of their disuse, the rugged virtues which lie at the back of manhood; and I feel that professions like yours, like the profession of the railroad men of the country, have a tonic effect upon the whole body politic.

It is a good thing that there should be a large body of our fellow-citizens — that there should be a profession — whose members must, year in and year out, display those old, old qualities of courage, daring, resolution, unflinching willing-

ness to meet danger at need. I hope to see all our people develop the softer, gentler virtues to an ever increasing degree, but I hope never to see them lose the sterner virtues that make men men.

A man is not going to be a fireman or an engineer or serve well in any other capacity on a railroad long if he has a "streak of yellow" in him. You are going to find it out, and he is going to be painfully conscious of it, very soon. It is a fine thing for our people that we should have those qualities in evidence before us in the life-work of a big group of our citizens.

In American citizenship, we can succeed permanently only upon the basis of standing shoulder to shoulder, working in association, by organization, each working for all, and yet remembering that we need each so to shape things that each man can develop to best advantage all the forces and powers at his command. In your organization you accomplish much by means of the Brotherhood, but you accomplish it because of the men who go to make up that brotherhood.

If you had exactly the organization, exactly the laws, exactly the system, and yet were yourselves a poor set of men, the system would not save you. I will guarantee that, from time to time, you have men go in to try to serve for the nine months who prove that they do not have the stuff in them out of which you can make good men. You have to have the stuff in you, and, if you have the stuff, you can make out of it a much finer man by means of the association — but you must have the material out of which to make it. So it is in citizenship.



## THE TRUSTS AND THE TARIFF

FROM AN ADDRESS DELIVERED IN THE MUSIC  
HALL, CINCINNATI, OHIO, SEPTEMBER 20, 1902

I INTEND to speak to you on a serious subject and to make an argument as the Chief Executive of a nation, who is the President of all the people, without regard to party, without regard to section. I intend to make to you an argument from the standpoint simply of one American talking to his fellow-Americans upon one of the great subjects of interest to all alike; and that subject is what are commonly known as trusts. The word is used very loosely and almost always with technical inaccuracy. The average man, however, when he speaks of the trusts means rather vaguely all of the very big corporations, the growth of which has been so signal a feature of our modern civilization, and especially those big corporations which, though organized in one State, do business in several States, and often have a tendency to monopoly.

The whole subject of the trusts is of vital concern to us, because it presents one, and perhaps the most conspicuous, of the many problems forced upon our attention by the tremendous industrial development which has taken place during the last century, a development which is occurring in all civilized countries, notably in our own. There have been many factors responsible for bringing about these changed conditions. Of these, steam and electricity are the chief. The extraordinary changes in the methods of transportation of merchandise and of transmission of news have rendered not only

possible, but inevitable, the immense increase in the rate of growth of our great industrial centres—that is, of our great cities. I want you to bring home to yourselves that fact. When Cincinnati was founded news could be transmitted and merchandise carried exactly as has been the case in the days of the Roman Empire. You had here on your river the flat-boat, you had on the ocean the sailing-ship, you had the pack-train, you had the wagon, and every one of the four was known when Babylon fell. The change in the last hundred years has been greater by far than the changes in all the preceding three thousand. Those are the facts. Because of them have resulted the specialization of industries, and the unexampled opportunities offered for the employment of huge amounts of capital, and therefore for the rise in the business world of those master-minds through whom alone it is possible for such vast amounts of capital to be employed with profit. It matters very little whether we like these new conditions or whether we dislike them; whether we like the creation of these new opportunities or not. Many admirable qualities which were developed in the older, simpler, less progressive life have tended to atrophy under our rather feverish, high-pressure, complex life of to-day. But our likes and dislikes have nothing to do with the matter. The new conditions are here. You can't bring back the old days of the canal-boat and stagecoach if you wish. The steam-boat and the railroad are here. The new forces have produced both good and evil. We can not get rid of them—even if it were not undesirable to get rid of them; and our instant duty is

to try to accommodate our social, economic and legislative life to them, and to frame a system of law and conduct under which we shall get out of them the utmost possible benefit and the least possible amount of harm. It is foolish to pride ourselves upon our progress and prosperity, upon our commanding position in the international industrial world, and at the same time have nothing but denunciation for the men to whose commanding position we in part owe this very progress and prosperity, this commanding position.

Whenever great social or industrial changes take place, no matter how much good there may be to them, there is sure to be some evil; and it usually takes mankind a number of years and a good deal of experimenting before they find the right ways in which so far as possible to control the new evil, without at the same time nullifying the new good. I am stating facts so obvious that if each one of you will think them over you will think them trite, but if you read or listen to some of the arguments advanced, you will come to the conclusion that there is need of learning these trite truths. In these circumstances the effort to bring the new tendencies to a standstill is always futile and generally mischievous; but it is possible somewhat to develop them aright. Law can to a degree guide, protect and control industrial development, but it can never cause it, or play more than a subordinate part in its healthy development—unfortunately it is easy enough by bad laws to bring it to an almost complete stop.

In dealing with the big corporations which we call trusts, we must resolutely purpose to

proceed by evolution and not revolution. We wish to face the facts, declining to have our vision blinded either by the folly of those who say there are no evils, or by the more dangerous folly of those who either see, or make believe that they see, nothing but evil in all the existing system, and who if given their way would destroy the evil by the simple process of bringing ruin and disaster to the entire country. The evils attendant upon our over-capitalization alone are, in my judgment, sufficient to warrant a far closer supervision and control than now exists over the great corporations. Wherever a substantial monopoly can be shown to exist we should certainly try our utmost to devise an expedient by which it can be controlled. Doubtless some of the evils existing in or because of the great corporations can not be cured by any legislation which has yet been proposed, and doubtless others, which have really been incident to the sudden development in the formation of corporations of all kinds, will in the end cure themselves. But there will remain a certain number which can be cured if we decide that by the power of the Government they are to be cured. The surest way to prevent the possibility of curing any of them is to approach the subject in a spirit of violent rancor, complicated with total ignorance of business interests and fundamental incapacity or unwillingness to understand the limitations upon all law-making bodies. No problem, and least of all so difficult a problem as this, can be solved if the qualities brought to its solution are panic, fear, envy, hatred, and ignorance. There can exist in a free republic no man more wicked,

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no man more dangerous to the people, than he who would arouse these feelings in the hope that they would redound to his own political advantage. Corporations that are handled honestly and fairly, so far from being an evil, are a natural business evolution and make for the general prosperity of our land. We do not wish to destroy corporations, but we do wish to make them subserve the public good. All individuals, rich or poor, private or corporate, must be subject to the law of the land; and the government will hold them to a rigid obedience thereof. The biggest corporation, like the humblest private citizen, must be held to strict compliance with the will of the people as expressed in the fundamental law. The rich man who does not see that this is in his interest is indeed short-sighted. When we make him obey the law we ensure for him the absolute protection of the law.

The saving banks show what can be done in the way of genuinely beneficent work by large corporations when intelligently administered and supervised. They now hold over twenty-six hundred millions of the people's money and pay annually about one hundred millions of interest or profit to their depositors. There is no talk of danger from these corporations; yet they possess great power, holding over three times the amount of our present national debt, more than all the currency, gold, silver, greenbacks, etc., in circulation in the United States. The chief reason for there being no talk of danger from them is that they are on the whole faithfully administered for the benefit of all, under wise laws which require frequent and full publica-

tion of their condition, and which prescribe certain needful regulations with which they have to comply, while at the same time giving full scope for the business enterprise of their managers within these limits.

Now of course saving banks are as highly specialized a class of corporations as railroads, and we can not force too far the analogy with other corporations; but there are certain conditions which I think we can lay down as indispensable to the proper treatment of all corporations which from their size have become important factors in the social development of the community.

Before speaking, however, of what can be done by way of remedy let me say a word or two as to certain proposed remedies which, in my judgment, would be ineffective or mischievous. The first thing to remember is that if we are to accomplish any good at all it must be by resolutely keeping in mind the intention to do away with any evils in the conduct of big corporations, while steadfastly refusing to assent to indiscriminate assault upon all forms of corporate capital as such. The line of demarcation we draw must always be on conduct, not upon wealth; our objection to any given corporation must be, not that it is big, but that it behaves badly. Perfectly simple again, my friends, but not always heeded by some of those who would strive to teach us how to act toward big corporations. Treat the head of the corporation as you would treat all other men. If he does well stand by him. You will occasionally find the head of a big corporation who objects to that treatment; very good, apply it



all the more carefully. Remember, after all, that he who objects because he is the head of a big corporation to being treated like any one else is only guilty of the same sin as the man who wishes him treated worse than any one else because he is the head of a big corporation. Demagogic denunciation of wealth is never wholesome and is generally dangerous; and not a few of the proposed methods of curbing the trusts are dangerous chiefly because all insincere advocacy of the impossible is dangerous. It is an unhealthy thing for a community when the appeal is made to follow a course which those who make the appeal either do know, or ought to know, can not be followed; and which, if followed, would result in disaster to everybody. Loose talk about destroying monopoly out of hand without a hint as to how the monopoly should even be defined offers a case in point.

Nor can we afford to tolerate any proposal which will strike at the so-called trusts only by striking at the general well-being. We are now enjoying a period of great prosperity. The prosperity is generally diffused through all sections and through all classes. Doubtless there are some individuals who do not get enough of it, and there are others who get too much. That is simply another way of saying that the wisdom of mankind is finite; and that even the best human system does not work perfectly. You don't have to take my word for that. Look back just nine years. In 1893 nobody was concerned in downing the trusts. Everybody was concerned in trying to get up himself. The men who propose to get rid of the evils of the

trusts by measures which would do away with the general well-being, advocate a policy which would not only be a damage to the community as a whole, but which would defeat its own professed object. If we are forced to the alternative of choosing either a system under which most of us prosper somewhat, though a few of us prosper too much, or else a system under which no one prospers enough, of course we will choose the former. If the policy advocated is so revolutionary and destructive as to involve the whole community in the crash of common disaster, it is as certain as anything can be that when the disaster has occurred all efforts to regulate the trusts will cease, and that the one aim will be to restore prosperity.

A remedy much advocated at the moment is to take off the tariff from all articles which are made by trusts. To do this it will be necessary first to define trusts. The language commonly used by the advocates of the method implies that they mean all articles made by large corporations, and that the changes in tariff are to be made with punitive intent toward these large corporations. Of course if the tariff is to be changed in order to punish them it should be changed so as to punish those that do ill, not merely those that are prosperous. It would be neither just nor expedient to punish the big corporations as big corporations; what we wish to do is to protect the people from any evil that may grow out of their existence or maladministration. Some of these corporations do well and others do ill. If in any case the tariff is found to foster a monopoly which does ill, of course no protectionist would object to a mod-

ification of the tariff sufficient to remedy the evil. But in very few cases does the so-called trust really monopolize the market. Take any very big corporation — I could mention them by the score — which controls, say, something in the neighborhood of half of the products of a given industry. It is the kind of corporation that is always spoken of as a trust. Surely in rearranging the schedules affecting such a corporation it would be necessary to consider the interests of its smaller competitors which control the remaining part, and which, being weaker, would suffer most from any tariff designed to punish all the producers; for, of course, the tariff must be made light or heavy for big and little producers alike. Moreover, such a corporation necessarily employs very many thousands, often very many tens of thousands of workmen, and the minute we proceed from denunciation to action it would be necessary to consider the interests of these workmen. Furthermore, the products of many trusts are unprotected, and would be entirely unaffected by any change in the tariff, or at most very slightly so. The Standard Oil Company offers a case in point; and the corporations which control the anthracite coal output offer another — for there is no duty whatever on anthracite coal.

I am not now discussing the question of the tariff as such; whether from the standpoint of the fundamental difference between those who believe in a protective tariff and those who believe in free trade; or from the standpoint of those who, while they believe in a protective tariff, feel that there could be a rearrangement of our schedules, either by direct legislation or by rec-

iprocity treaties, which would result in enlarging our markets; nor yet from the standpoint of those who feel that stability of economic policy is at the moment our prime economic need, and that the benefits to be derived from any change in schedules would not compensate for the damage to business caused by the widespread agitation which would follow any attempted general revision of the tariff at this moment. Without regard to the wisdom of any one of those three positions it remains true that the real evils connected with the trusts can not be remedied by any change in the tariff laws. The trusts can be damaged by depriving them of the benefits of a protective tariff, only on condition of damaging all their smaller competitors, and all the wage-workers employed in the industry. This point is very important, and it is desirable to avoid any misunderstanding concerning it. I am not now considering whether or not, on grounds totally unconnected with the trusts, it would be well to lower the duties on various schedules, either by direct legislation or by legislation or treaties designed to secure as an offset reciprocal advantages from the nations with which we trade. My point is that changes in the tariff would have little appreciable effect on the trusts save as they shared in the general harm or good proceeding from such changes. No tariff change would help one of our smaller corporations, or one of our private individuals in business, still less one of our wage-workers, as against a large corporation in the same business; on the contrary, if it bore heavily on the large corporation it would inevitably be felt still more by that corpora-

tion's weaker rivals, while any injurious result would of necessity be shared by both the employer and the employed in the business concerned. The immediate introduction of substantial free trade in all articles manufactured by trusts, that is, by the largest and most successful corporations, would not affect some of the most powerful of our business combinations in the least, save by the damage done to the general business welfare of the country; others would undoubtedly be seriously affected, but much less so than their weaker rivals, while the loss would be divided between the capitalists and the laborers; and after the years of panic and distress had been lived through, and some return to prosperity had occurred, even though all were on a lower plane of prosperity than before, the relative difference between the trusts and their rivals would remain as marked as ever. In other words, the trust, or big corporation, would have suffered relatively to, and in the interest of, its foreign competitor; but its relative position toward its American competitors would probably be improved; little would have been done toward cutting out or minimizing the evils in the trusts; nothing toward securing adequate control and regulation of the large modern corporations. In other words, the question of regulating the trusts with a view to minimizing or abolishing the evils existent in them is separate and apart from the question of tariff revision.

You must face the fact that only harm will come from a proposition to attack the so-called trusts in a vindictive spirit by measures conceived solely with a desire of hurting them,

without regard as to whether or not discrimination should be made between the good and evil in them, and without even any regard as to whether a necessary sequence of the action would be the hurting of other interests. The adoption of such a policy would mean temporary damage to the trusts, because it would mean temporary damage to all of our business interests; but the effect would be only temporary, for exactly as the damage affected all alike, good and bad, so the reaction would affect all alike, good and bad. The necessary supervision and control, in which I firmly believe is the only method of eliminating the real evils of the trusts, must come through wisely and cautiously framed legislation, which shall aim in the first place to give definite control to some sovereign over the great corporations, and which shall be followed, when once this power has been conferred, by a system giving to the Government the full knowledge which is the essential for satisfactory action. Then when this knowledge—one of the essential features of which is proper publicity—has been gained, what further steps of any kind are necessary can be taken with the confidence born of the possession of power to deal with the subject, and of a thorough knowledge of what should and can be done in the matter.

We need additional power; and we need knowledge. Our Constitution was framed when the economic conditions were so different that each State could wisely be left to handle the corporations within its limits as it saw fit. Nowadays all the corporations which I am considering do what is really an interstate business,



and as the States have proceeded on very different lines in regulating them, at present a corporation will be organized in one State, not because it intends to do business in that State, but because it does not, and therefore that State can give it better privileges, and then it will do business in some other States, and will claim not to be under the control of the States in which it does business; and of course it is not the object of the State creating it to exercise any control over it, as it does not do any business in that State. Such a system can not obtain. There must be some sovereign. It might be better if all the States could agree along the same lines in dealing with these corporations, but I see not the slightest prospect of such an agreement. Therefore, I personally feel that ultimately the nation will have to assume the responsibility of regulating these very large corporations which do an interstate business. The States must combine to meet the way in which capital has combined; and the way in which the States can combine is through the National Government. But I firmly believe that all these obstacles can be met if only we face them, both with the determination to overcome them, and with the further determination to overcome them in ways which shall not do damage to the country as a whole; which on the contrary shall further our industrial development, and shall help instead of hindering all corporations which work out their success by means that are just and fair toward all men.

Without the adoption of a constitutional amendment, my belief is that a good deal can be done by law. It is difficult to say exactly

how much, because experience has taught us that in dealing with these subjects, where the lines dividing the rights and duties of the States and of the Nation are in doubt, it has sometimes been difficult for Congress to forecast the action of the courts upon its legislation. Such legislation (whether obtainable now, or obtainable only after a constitutional amendment) should provide for a reasonable supervision, the most prominent feature of which at first should be publicity; that is, the making public, both to the governmental authorities and to the people at large, the essential facts in which the public is concerned. This would give us exact knowledge of many points which are now not only in doubt, but the subject of fierce controversy. Moreover, the mere fact of the publication would cure some very grave evils, for the light of day is a deterrent to wrongdoing. It would doubtless disclose other evils with which, for the time being, we could devise no way to grapple. Finally, it would disclose others which could be grappled with and cured by further legislative action.

Remember, I advocate the action which the President can only advise, and which he has no power himself to take. Under our present legislative and constitutional limitations the national executive can work only between narrow lines in the field of action concerning great corporations. Between those lines, I assure you that exact and even-handed justice will be dealt, and is being dealt, to all men, without regard to persons.

I wish to repeat with all emphasis that desirable though it is that the nation should have

the power I suggest, it is equally desirable that it should be used with wisdom and self-restraint. The mechanism of modern business is tremendous in its size and complexity, and ignorant intermeddling with it would be disastrous. We should not be made timid or daunted by the size of the problem; we should not fear to undertake it; but we should undertake it with ever present in our minds dread of the sinister spirits of rancor, ignorance, and vanity. We need to keep steadily in mind the fact that besides the tangible property in each corporation there lies behind the spirit which brings it success, and in the case of each very successful corporation this is usually the spirit of some one man or set of men. Under exactly similar conditions one corporation will make a stupendous success where another makes a stupendous failure, simply because one is well managed and the other is not. While making it clear that we do not intend to allow wrongdoing by one of the captains of industry any more than by the humblest private in the industrial ranks, we must also in the interests of all of us avoid cramping a strength which, if beneficently used, will be for the good of all of us. The marvelous prosperity we have been enjoying for the past few years has been due primarily to the high average of honesty, thrift, and business capacity among our people as a whole; but some of it has also been due to the ability of the men who are the industrial leaders of the nation. In securing just and fair dealing by these men let us remember to do them justice in return, and this not only because it is our duty, but because it is our interest; not only for their sakes, but for ours. We are

neither the friend of the rich man as such, nor the friend of the poor man as such; we are the friend of the honest man, rich or poor; and we intend that all men, rich and poor alike, shall obey the law alike and receive its protection alike.

## TARIFF REFORM AND BUSINESS STABILITY

FROM AN ADDRESS DELIVERED IN LOGANSPORT,  
INDIANA, SEPTEMBER 23, 1902

I AM going to ask you to take what I say at its exact face value, as I like whatever I say to be taken. It is suggested by coming to this great Western State and speaking to one of its thriving cities. We believe that the American business man is of a peculiar type; and probably the qualities of energy, daring and resourcefulness which have given him his prominence in the international industrial world find their highest development here in the West. It is the merest truism to say that in the modern world industrialism is the great factor in the growth of nations. Material prosperity is the foundation upon which every mighty national structure must be built. Of course there must be more than this. There must be a high moral purpose, a life of the spirit which finds its expression in many different ways; but unless material prosperity exists also there is scant room in which to develop the higher life. The productive activity of our vast army of workers, of those who work with head or hands, is the prime cause of the giant growth of this nation. We have great

natural resources, but such resources are never more than opportunities, and they count for nothing if the men in possession have not the power to take advantage of them. You have built up in the West these cities of the Mississippi Valley and the Great Lakes; as all the region round about them has been built up — that is, because you had the qualities of heart and brain, the qualities of moral and physical fibre, which enabled you to use to the utmost advantage whatever you found ready to your hands. You win, not by shirking difficulties, but by facing and overcoming them.

In such development laws play a certain part, but individual characteristics a still greater part. A great and successful commonwealth like ours in the long run works under good laws, because a people endowed with honest and practical common-sense ultimately demands good laws. But no law can create industrial well-being, although it may foster and safe-guard it, and although a bad law may destroy it. The prime factor in securing industrial well-being is the high average of citizenship found in the community. The best laws that the wit of man can devise would not make a community of thriftless and idle men prosperous. No scheme of legislation or of social reform will ever work good to the community unless it recognizes as fundamental the fact that each man's own individual qualities must be the prime factors in his success. Work in combination may help and the State can do a good deal in its own sphere, but in the long run each man must rise or fall on his own merits; each man must owe his success in life to whatever of hardihood, of resolution, of com-

mon-sense and of capacity for lofty endeavor he has within his own soul. It is a good thing to act in combination for the common good, but it is a very unhealthy thing to let ourselves think for one moment that anything can ever supply the want of our own individual watchfulness and exertion.

Yet given this high average of individual ability and invention, we must ever keep in mind that it may be nullified by bad legislation, and that it can be given a chance to develop under the most favorable conditions by good legislation. Probably the most important aid which can be contributed by the National Government to the material well-being of the country is to ensure its financial stability. An honest currency is the strongest symbol and expression of honest business life. The business world must exist largely on credit, and to credit confidence is essential. Any tampering with the currency, no matter with what purpose, if fraught with the suspicion of dishonesty, in result is fatal in its effects on business prosperity. Very ignorant and primitive communities are continually obliged to learn the elementary truth that the repudiation of debts is in the end ruinous to the debtors as a class; and when communities have moved somewhat higher in the scale of civilization they also learn that anything in the nature of a debased currency works similar damage. A financial system of assured honesty is the first essential.

Another essential for any community is perseverance in the economic policy which for a course of years is found best fitted to its peculiar needs. The question of combining such



fixedness of economic policy as regards the tariff, while at the same time allowing for a necessary and proper readjustment of duties in particular schedules, as such readjustment becomes a matter of pressing importance, is not an easy one. It is perhaps too much to expect that from the discussion of such a question it would be possible wholly to eliminate political partisanship. Yet those who believe, as we all must when we think seriously of the subject, that the proper aim of the party system is after all simply to subserve the public good, can not but hope that where such partisanship on a matter of this kind conflicts with the public good it shall at least be minimized. It is all right and inevitable that we should divide on party lines, but woe to us if we are not Americans first, and party men second. What we really need in this country is to treat the tariff as a business proposition from the standpoint of the interests of the country as a whole, and not from the standpoint of the temporary needs of any political party. It surely ought not to be necessary to dwell upon the extreme unwisdom, from a business standpoint, from the standpoint of national prosperity, of violent and radical changes amounting to the direct upsetting of tariff policies at intervals of every few years. A nation like ours can adjust its business after a fashion to any kind of tariff. But neither our nation nor any other can stand the ruinous policy of readjusting its business to radical changes in the tariff at short intervals. This is more true now than ever it was before, for owing to the immense extent and variety of our products, the tariff schedules of to-day carry rates of duty on

more than four thousand articles. Continual sweeping changes in such a tariff, touching so intimately the commercial interests of the nation which stands as one of the two or three greatest in the whole industrial world, can not but be disastrous. Yet on the other hand where the industrial needs of the nation shift as rapidly as they do with us, it is a matter of prime importance that we should be able to readjust our economic policy as rapidly as possible and with as little friction as possible to these needs.

We need a scheme which will enable us to provide a reapplication of the principle to the changed conditions. The problem therefore is to devise some method by which these shifting needs can be recognized and the necessary readjustments of duties provided without forcing the entire business community, and therefore the entire nation, to submit to a violent surgical operation, the mere threat of which, and still more the accomplished fact of which, would probably paralyze for a considerable time all the industries of the country. Such radical action might very readily reproduce the conditions from which we suffered nine years ago, in 1893. It is on every account most earnestly to be hoped that this problem can be solved in some manner into which partisanship shall enter as a purely secondary consideration, if at all; that is, in some manner which shall provide for an earnest effort by non-partisan inquiry and action to secure any changes the need of which is indicated by the effect found to proceed from a given rate of duty on a given article; its effect, if any, as regards the creation of a substantial monopoly; its effect upon domestic prices, upon the reve-

nue of the government, upon importations from abroad, upon home productions, and upon consumption. In other words, we need to devise some machinery by which, while persevering in the policy of a protective tariff, in which I think the nation as a whole has now generally acquiesced, we would be able to correct the irregularities and remove the incongruities produced by changing conditions, without destroying the whole structure. Such machinery would permit us to continue our definitely settled tariff policy, while providing for the changes in duties upon particular schedules which must inevitably and necessarily take place from time to time as matters of legislative and administrative detail. This would secure the needed stability of economic policy which is a prime factor in our industrial success, while doing away with any tendency to fossilization. It would recognize the fact that, as our needs shift, it may be found advisable to alter rates and schedules, adapting them to the changed conditions and necessities of the whole people; and this would be in no wise incompatible with preserving the principle of protection, for belief in the wisdom of a protective tariff is in no way inconsistent with frankly admitting the desirability of changing a set of schedules, when from any cause such change is in the interests of the nation as a whole—and our tariff policy is designed to favor the interests of the nation as a whole and not those of any particular set of individuals save as an incident to this building up of national well-being. There are two or three different methods by which it will be possible to provide such readjustment without any shock to

the business world. My personal preference would be for action which should be taken only after preliminary inquiry by and upon the findings of a body of experts of such high character and ability that they could be trusted to deal with the subject purely from the standpoint of our business and industrial needs; but, of course, Congress would have to determine for itself the exact method to be followed. The Executive has at its command the means for gathering most of the necessary data, and can act whenever it is the desire of Congress that it should act. That the machinery for carrying out the policy above outlined can be provided I am very certain, if only our people will make up their minds that the health of the community will be subserved by treating the whole question primarily from the standpoint of the business interests of the entire country, rather than from the standpoint of the fancied interests of any group of politicians.

Of course in making any changes we should have to proceed in accordance with certain fixed and definite principles, and the most important of these is an avowed determination to protect the interests of the American producer, be he business man, wage-worker, or farmer. The one consideration which must never be omitted in a tariff change is the imperative need of preserving the American standard of living for the American workingman. The tariff rate must never fall below that which will protect the American workingman by allowing for the difference between the general labor cost here and abroad, so as at least to equalize the conditions arising from the difference in the standard of

labor here and abroad — a difference which it should be our aim to foster in so far as it represents the needs of better educated, better paid, better fed, and better clothed workingmen of a higher type than any to be found in a foreign country. At all hazards, and no matter what else is sought for or accomplished by changes of the tariff, the American workingman must be protected in his standard of wages, that is, in his standard of living, and must be secured the fullest opportunity of employment. Our laws should in no event afford advantage to foreign industries over American industries. They should in no event do less than equalize the difference in conditions at home and abroad. The general tariff policy to which, without regard to changes in detail, I believe this country to be irrevocably committed, is fundamentally based upon ample recognition of the difference in labor cost here and abroad; in other words, the recognition of the need for full development of the intelligence, the comfort, the high standard of civilized living and the inventive genius of the American workingman as compared to the workingman of any other country in the world.

## INDUSTRIAL PEACE

FROM AN ADDRESS DELIVERED AT A BANQUET OF  
THE CHAMBER OF COMMERCE OF NEW YORK  
CITY, NOVEMBER 11, 1902

I DO not wish to speak to you in the language of idle compliment, and yet it is but a bare statement of fact to say that nowhere in our country could there be gathered an audience

which would stand as more typically characteristic than this of all those qualities and attributes which have given us of the United States our commanding position in the industrial world. There is no need of my preaching to this gathering the need of combining efficiency with upright dealing, for as an American and as a citizen of New York I am proud to feel that the name of your organization carries with it a guarantee of both; and your practice counts for more than any preaching could possibly count. New York is a city of national importance, because its position toward the Nation is unique, and the Chamber of Commerce of New York must of necessity be an element of weight in the commercial and industrial welfare of the entire people. New York is the great port of entry for our country — the port in which centres the bulk of the foreign commerce of the country — and her welfare is therefore no matter of mere local or municipal, but of national concern. The conduct of the Government in dealing with all matters affecting the financial and commercial relations of New York must continually take into account this fact; and it must be taken into account in appreciating the importance of the part played by the New York Chamber of Commerce.

This body stands for the triumphs of peace both abroad and at home. We have passed that stage of national development when depreciation of other peoples is felt as a tribute to our own. We watch the growth and prosperity of other nations, not with hatred or jealousy, but with sincere and friendly good-will. I think I can say safely that we have shown by our atti-



tude toward Cuba, by our attitude toward China, that as regards weaker powers our desire is that they may be able to stand alone, and that if they will only show themselves willing to deal honestly and fairly with the rest of mankind we on our side will do all we can to help, not to hinder, them. With the great powers of the world we desire no rivalry that is not honorable to both parties. We wish them well. We believe that the trend of the modern spirit is ever stronger toward peace, not war; toward friendship, not hostility, as the normal international attitude. We are glad indeed that we are on good terms with all the other peoples of mankind, and no effort on our part shall be spared to secure a continuance of these relations. And remember, gentlemen, that we shall be a potent factor for peace largely in proportion to the way in which we make it evident that our attitude is due, not to weakness, not to inability to defend ourselves, but to a genuine repugnance to wrongdoing, a genuine desire for self-respecting friendship with our neighbors. The voice of the weakling or the craven counts for nothing when he clamors for peace; but the voice of the just man armed is potent. We need to keep in a condition of preparedness, especially as regards our navy, not because we want war, but because we desire to stand with those whose plea for peace is listened to with respectful attention.

Important though it is that we should have peace abroad, it is even more important that we should have peace at home. You, men of the Chamber of Commerce, to whose efforts we owe so much of our industrial well-being, can,

and I believe surely will, be influential in helping toward that industrial peace which can obtain in society only when in their various relations employer and employed alike show not merely insistence each upon his own rights, but also regard for the rights of others, and a full acknowledgment of the interests of the third party—the public. It is no easy matter to work out a system or rule of conduct, whether with or without the help of the lawgiver, which shall minimize that jarring and clashing of interests in the industrial world which causes so much individual irritation and suffering at the present day, and which at times threatens baleful consequences to large portions of the body politic. But the importance of the problem can not be overestimated, and it deserves to receive the careful thought of all men such as those whom I am addressing to-night. There should be no yielding to wrong; but there should most certainly be not only desire to do right but a willingness each to try to understand the viewpoint of his fellow, with whom, for weal or for woe, his own fortunes are indissolubly bound.

No patent remedy can be devised for the solution of these grave problems in the industrial world; but we may rest assured that they can be solved at all only if we bring to the solution certain old-time virtues, and if we strive to keep out of the solution some of the most familiar and most undesirable of the traits to which mankind has owed untold degradation and suffering throughout the ages. Arrogance, suspicion, brutal envy of the well-to-do, brutal indifference toward those who are not well-to-do, the hard refusal to consider the rights of others,

the foolish refusal to consider the limits of beneficent action, the base appeal to the spirit of selfish greed, whether it take the form of plunder of the fortunate or of oppression of the unfortunate—from these and from all kindred vices this Nation must be kept free if it is to remain in its present position in the forefront of the peoples of mankind. On the other hand, good will come, even out of the present evils, if we face them armed with the old homely virtues; if we show that we are fearless of soul, cool of head, and kindly of heart; if, without betraying the weakness that cringes before wrongdoing, we yet show by deeds and words our knowledge that in such a government as ours each of us must be in very truth his brother's keeper.

At a time when the growing complexity of our social and industrial life has rendered inevitable the intrusion of the State into spheres of work wherein it formerly took no part, and when there is also a growing tendency to demand the illegitimate and unwise transfer to the government of much of the work that should be done by private persons, singly or associated together, it is a pleasure to address a body whose members possess to an eminent degree the traditional American self-reliance of spirit which makes them scorn to ask from the government, whether of State or of Nation, anything but a fair field and no favor; who confide not in being helped by others, but in their own skill, energy, and business capacity to achieve success. The first requisite of a good citizen in this Republic of ours is that he shall be able and willing to pull his weight—that he shall

not be a mere passenger, but shall do his share in the work that each generation of us finds ready to hand; and, furthermore, that in doing his work he shall show not only the capacity for sturdy self-help but also self-respecting regard for the rights of others.

The Chamber of Commerce, it is no idle boast to say, stands in a preëminent degree for those qualities which make the successful merchant, the successful business man, whose success is won in ways honorable to himself and beneficial to his fellows. There are very different kinds of success. There is the success that brings with it the seared soul—the success which is achieved by wolfish greed and vulpine cunning—the success which makes honest men uneasy or indignant in its presence. Then there is the other kind of success—the success which comes as the reward of keen insight, of sagacity, of resolution, of address, combined with unflinching rectitude of behavior, public and private. The first kind of success may, in a sense—and a poor sense at that—benefit the individual, but it is always and necessarily a curse to the community; whereas the man who wins the second kind, as an incident of its winning becomes a beneficiary to the whole commonwealth. Throughout its history the Chamber of Commerce has stood for this second and higher kind of success. It is therefore fitting that I should come on here as the Chief Executive of the Nation to wish you well in your new home; for you belong not merely to the city, not merely to the State, but to all the country, and you stand high among the great factors in building up that marvelous prosperity which

the entire country now enjoys. The continuance of this prosperity depends in no small measure upon your sanity and common-sense, upon the way in which you combine energy in action with conservative refusal to take part in the reckless gambling which is so often bred by, and which so inevitably puts an end to, prosperity. You are men of might in the world of American effort; you are men whose names stand high in the esteem of our people; you are spoken of in terms like those used in the long-gone ages when it was said of the Phœnician cities that their merchants were princes. Great is your power and great, therefore, your responsibility. Well and faithfully have you met this responsibility in the past. We look forward with confident hope to what you will do in the future, and it is therefore with sincerity that I bid you Godspeed this evening and wish for you, in the name of the Nation, a career of ever-increasing honor and usefulness.

## PRESIDENT McKINLEY'S POLICY

FROM AN ADDRESS DELIVERED AT THE FOUNDERS' DAY BANQUET OF THE UNION LEAGUE, PHILADELPHIA, PENNSYLVANIA, NOVEMBER 22, 1902

FROM the very beginning our people have markedly combined practical capacity for affairs with power of devotion to an ideal. The lack of either quality would have rendered the possession of the other of small value. Mere ability to achieve success in things concerning the body would not have atoned for the failure to live the life of high endeavor; and, on the

other hand, without a foundation of those qualities which bring material prosperity there would be nothing on which the higher life could be built. The men of the Revolution would have failed if they had not possessed alike devotion to liberty and ability (once liberty had been achieved) to show common-sense and self-restraint in its use. The men of the great Civil War would have failed had they not possessed the business capacity which developed and organized their resources in addition to the stern resolution to expend these resources as freely as they expended their blood in furtherance of the great cause for which their hearts leaped. It is this combination of qualities that has made our people succeed. Other peoples have been as devoted to liberty, and yet, because of lack of hard-headed common-sense and of ability to show restraint and subordinate individual passions for the general good, have failed so signally in the struggle of life as to become a byword among the nations. Yet other peoples, again, have possessed all possible thrift and business capacity, but have been trampled under foot, or have played a sordid and ignoble part in the world, because their business capacity was unaccompanied by any of the lift toward nobler things which marks a great and generous nation. The stern but just rule of judgment for humanity is that each nation shall be known by its fruits; and if there are no fruits, if the nation has failed, it matters but little whether it has failed through meanness of soul or through lack of robustness of character. We must judge a nation by the net result of its life and activity. And so we must judge the policies



of those who at any time control the destinies of a nation.

Therefore I ask you to-night to look at the results of the policies championed by President McKinley on both the occasions when he appealed to the people for their suffrages, and to see how well that appeal has been justified by the event. Most certainly I do not claim all the good that has befallen us during the past six years as due solely to any human policy. No legislation, however wise, no Administration, however efficient, can secure prosperity to a people or greatness to a nation. All that can be done by the law-maker and the administrator is to give the best chance possible for the people of the country themselves to show the stuff that is in them. President McKinley was elected in 1896 on the specific pledge that he would keep the financial honor of the Nation untarnished and would put our economic system on a stable basis, so that our people might be given a chance to secure the return of prosperity. Both pledges have been so well kept that, as is but too often the case, men are beginning to forget how much the keeping of them has meant. When people have become very prosperous they tend to become sluggishly indifferent to the continuation of the policies that brought about their prosperity. At such times as these it is of course a mere law of nature that some men prosper more than others, and too often those who prosper less, in their jealousy of their more fortunate brethren, forget that all have prospered somewhat. I ask you soberly to remember that the complaint made at the present day of our industrial or economic conditions never

takes the form of stating that any of our people are less well off than they were seven or eight years back, before President McKinley came in and his policies had a chance to be applied; but that the complaint is that some people have received more than their share of the good things of the world. There was no such complaint eight years ago, in the summer of 1894. Complaint was not then that any one had prospered too much; it was that no one had prospered enough. Let each one of us think of the affairs of his own household and his own business, let each of us compare his standing now with his standing eight years back, and then let him answer for himself whether it is not true that the policies for which William McKinley stood in 1896 have justified themselves thrice over by the results they have brought about.

In 1900 the issues were in part the same, but new ones had been added. Prosperity had returned; the gold standard was assured; our tariff was remodeled on the lines that have marked it at all periods when our well-being was greatest. But as must often happen, the President elected on certain issues was obliged to face others entirely unforeseen. Rarely indeed have our greatest men made issues — they have shown their greatness by meeting them as they arose. President McKinley faced the problems of the Spanish War and those that followed it exactly as he had faced the problems of our economic and financial needs. . . . .

Thus we have met each task that has confronted us during the past six years. Thus we have kept every promise made in 1896 and 1900.

We have a right to be proud of the memories of the last six years. But we must remember that each victory only opens the chance for a new struggle; that the remembrance of triumphs achieved in the past is of use chiefly if it spurs us to fresh effort in the present. No nation has ever prospered as we are prospering now, and we must see to it that by our own folly we do not mar this prosperity. Yet we must see to it also that wherever wrong flourishes it be repressed. It is not the habit of our people to shirk issues, but squarely to face them. It is not the habit of our people to treat a good record in the past as anything but a reason for expecting an even better record in the present; and no Administration, gentlemen, should ask to be judged save on those lines. The tremendous growth of our industrialism has brought to the front many problems with which we must deal; and I trust that we shall deal with them along the lines indicated in speech and in action by that profound jurist and upright and fearless public servant who represents Pennsylvania in the Cabinet — Attorney-General Knox. The question of the so-called trusts is but one of the questions we must meet in connection with our industrial system. There are many of them and they are serious; but they can and will be met. Time may be needed for making the solution perfect; but it is idle to tell this people that we have not the power to solve such a problem as that of exercising adequate supervision over the great industrial combinations of to-day. We have the power and we shall find out the way. We shall not act hastily or recklessly;

but we have firmly made up our minds that a solution, and a right solution, shall be found, and found it will be.

No nation as great as ours can expect to escape the penalty of greatness, for greatness does not come without trouble and labor. There are problems ahead of us at home and problems abroad, because such problems are incident to the working out of a great national career. We do not shrink from them. Scant is our patience with those who preach the gospel of craven weakness. No nation under the sun ever yet played a part worth playing if it feared its fate overmuch—if it did not have the courage to be great. We of America, we, the sons of a nation yet in the pride of its lusty youth, spurn the teachings of distrust, spurn the creed of failure and despair. We know that the future is ours if we have in us the manhood to grasp it, and we enter the new century girding our loins for the contest before us, rejoicing in the struggle, and resolute so to bear ourselves that the Nation's future shall even surpass her glorious past.

## PROGRESS MADE TOWARD FEDERAL CONTROL OF CORPORATIONS

ADDRESS DELIVERED AT A BANQUET IN MILWAUKEE, WISCONSIN, APRIL 3, 1903

TO-DAY I wish to speak to you on the question of the control and regulation of those great corporations which are popularly, although rather vaguely, known as trusts; dealing mostly with what has actually been accomplished in the way

of legislation and in the way of enforcement of legislation during the past eighteen months, the period covering the two sessions of the Fifty-seventh Congress. At the outset I shall ask you to remember that I do not approach the subject either from the standpoint of those who speak for themselves as anti-trust or anti-corporation people, nor yet from the standpoint of those who are fond of denying the existence of evils in the trusts, or who apparently proceed upon the assumption that if a corporation is large enough it can do no wrong.

I think I speak for the great majority of the American people when I say that we are not in the least against wealth as such, whether individual or corporate; that we merely desire to see any abuse of corporate or combined wealth corrected and remedied; that we do not desire the abolition or destruction of big corporations, but, on the contrary, recognize them as being in many cases efficient economic instruments, the results of an inevitable process of economic evolution, and only desire to see them regulated and controlled so far as may be necessary to subserve the public good. We should be false to the historic principles of our government if we discriminated, either by legislation or administration, either for or against a man because of either his wealth or his poverty. There is no proper place in our society either for the rich man who uses the power conferred by his riches to enable him to oppress and wrong his neighbors, nor yet for the demagogic agitator who, instead of attacking abuses as all abuses should be attacked wherever found, attacks property, attacks prosperity, attacks men of wealth, as

such, whether they be good or bad, attacks corporations whether they do well or ill, and seeks, in a spirit of ignorant rancor, to overthrow the very foundations upon which rests our national well-being.

In consequence of the extraordinary industrial changes of the last half century, and notably of the last two or three decades, changes due mainly to the rapidity and complexity of our industrial growth, we are confronted with problems which in their present shape were unknown to our forefathers. Our great prosperity, with its accompanying concentration of population and of wealth, its extreme specialization of faculties, and its development of giant industrial leaders, has brought much good and some evil, and it is as foolish to ignore the good as wilfully to blind ourselves to the evil.

The evil has been partly the inevitable accompaniment of the social changes, and where this is the case it can be cured neither by law nor by the administration of the law, the only remedy lying in the slow change of character and of economic environment. But for a portion of the evil, at least, we think that remedies can be found. We know well the danger of false remedies, and we are against all violent, radical, and unwise change. But we believe that by proceeding slowly, yet resolutely, with good sense and moderation, and also with a firm determination not to be swerved from our course either by foolish clamor or by any base or sinister influence, we can accomplish much for the betterment of conditions.

Nearly two years ago, speaking at the State Fair in Minnesota, I said:



"It is probably true that the large majority of the fortunes that now exist in this country have been amassed, not by injuring our people, but as an incident to the conferring of great benefits upon the community, and this no matter what may have been the conscious purpose of those amassing them. There is but the scantiest justification for most of the outcry against the men of wealth *as such*; and it ought to be unnecessary to state that any appeal which directly or indirectly leads to suspicion and hatred among ourselves, which tends to limit opportunity, and therefore to shut the door of success against poor men of talent, and, finally, which entails the possibility of lawlessness and violence, is an attack upon the fundamental properties of American citizenship. Our interests are at bottom common; in the long run we go up or go down together. Yet more and more it is evident that the State, and if necessary the Nation, has got to possess the right of supervision and control as regards the great corporations which are its creatures; particularly as regards the great business combinations which derive a portion of their importance from the existence of some monopolistic tendency. The right should be exercised with caution and self-restraint; but it should exist, so that it may be invoked if the need arises."

Last fall in speaking at Cincinnati, I said:

"The necessary supervision and control, in which I firmly believe as the only method of eliminating the real evils of the trusts, must come through wisely and cautiously framed legislation, which shall aim in the first place to give definite control to some sovereign over the

great corporations, and which shall be followed, when once this power has been conferred, by a system giving to the government the full knowledge which is the essential for satisfactory action. Then, when this knowledge — one of the essential features of which is proper publicity — has been gained, what further steps of any kind are necessary can be taken with the confidence born of the possession of power to deal with the subject, and of a thorough knowledge of what should and can be done in the matter. We need additional power, and we need knowledge. . . . Such legislation — whether obtainable now or obtainable only after a Constitutional amendment — should provide for a reasonable supervision, the most prominent feature of which at first should be publicity; that is, the making public, both to the government authorities and to the people at large, the essential facts in which the public is concerned. This would give us exact knowledge of many points which are now not only in doubt but the subject of fierce controversy. Moreover, the mere fact of the publication would cure some very grave evils, for the light of day is a deterrent to wrongdoing. It would doubtless disclose other evils with which, for the time being, we could devise no way to grapple. Finally, it would disclose others which could be grappled with and cured by further legislative action."

In my Message to Congress for 1901 I said: "In the interest of the whole people the Nation should, without interfering with the power of the States in the matter, itself also assume power of supervision and regulation over all corporations doing an interstate business."

The views thus expressed have now received effect by the wise, conservative, and yet far-reaching legislation enacted by Congress at its last session. In its wisdom Congress enacted the very important law providing a Department of Commerce and Labor, and further providing therein under the Secretary of Commerce and Labor for a Commissioner of Corporations, charged with the duty of supervision of and of making intelligent investigation into the organization and conduct of corporations engaged in interstate commerce. His powers to expose illegal or hurtful practices and to obtain all information needful for the purposes of further intelligent legislation seem adequate; and the publicity justifiable and proper for public purposes is satisfactory guaranteed. The law was passed at the very end of the session of Congress. Owing to the lateness of its passage Congress was not able to provide proper equipment for the new Department; and the first few months must necessarily be spent in the work of organization, and the first investigations must necessarily be of a tentative character. The satisfactory development of such a system requires time and great labor. Those who are intrusted with the administration of the new law will assuredly administer it in a spirit of absolute fairness and justice and of entire fearlessness, with the firm purpose not to hurt any corporation doing a legitimate business — on the contrary to help it — and, on the other hand, not to spare any corporation which may be guilty of illegal practices, or the methods of which may make it a menace to the public welfare. Some substantial good will be done in the immediate future; and as the

Department gets fairly to work under the law an ever larger vista for good work will be opened along the lines indicated. The enactment of this law is one of the most significant contributions which have been made in our time toward the proper solution of the problem of the relations to the people of the great corporations and corporate combinations.

But much though this is, it is only a part of what has been done in the effort to ascertain and correct improper trust or monopolistic practices. Some eighteen months ago the Industrial Commission, an able and non-partisan body, reported to Congress the result of their investigation of trusts and industrial combinations. One of the most important of their conclusions was that discriminations in freight rates and facilities were granted favored shippers by the railroads and that these discriminations clearly tended toward the control of production and prices in many fields of business by large combinations. That this conclusion was justifiable was shown by the disclosures in the investigation of railroad methods pursued in the fall and winter of 1901-1902. It was then shown that certain trunk lines had entered into unlawful agreements as to the transportation of food products from the West to the Atlantic seaboard, giving a few favored shippers rates much below the tariff charges imposed upon the smaller dealers and the general public. These unjust practices had prevailed to such an extent and for so long a time that many of the smaller shippers had been driven out of business, until practically one buyer of grain on each railway system had been able by his illegal advantages to secure a monopoly

on the line with which his secret compact was made; this monopoly enabling him to fix the price to both producer and consumer. Many of the great packing house concerns were shown to be in combination with each other and with most of the great railway lines, whereby they enjoyed large secret concessions in rates and thus obtained a practical monopoly of the fresh and cured meat industry of the country. These fusions, though violative of the statute, had prevailed unchecked for so many years that they had become intrenched in and interwoven with the commercial life of certain large distributing localities; although this was of course at the expense of the vast body of law-abiding merchants, the general public, and particularly of unfavored localities.

Under those circumstances it was a serious problem to determine the wise course to follow in vitalizing a law which had in part become obsolete or proved incapable of enforcement. Of what the Attorney-General did in enforcing it I shall speak later. The decisions of the courts upon the law had betrayed weaknesses and imperfections, some of them so serious as to render abortive efforts to apply any effective remedy for the existing evils.

It is clear that corporations created for quasi public purposes, clothed for that reason with the ultimate power of the State to take private property against the will of the owner, hold their corporate powers as carriers in trust for the fairly impartial service of all the public. Favoritism in the use of such powers, unjustly enriching some and unjustly impoverishing others, discriminating in favor of some places

and against others, is palpably violative of plain principles of justice. Such a practice unchecked is hurtful in many ways. Congress, having had its attention drawn to the matter, enacted a most important anti-rebate law, which greatly strengthens the interstate-commerce law. This new law prohibits under adequate penalties the giving and as well the demanding or receiving of such preferences, and provides the preventive remedy of injunction. The vigorous administration of this law—and it will be enforced—will, it is hoped, afford a substantial remedy for certain trust evils which have attracted public attention and have created public unrest.

This law represents a noteworthy and important advance toward just and effective regulation of transportation. Moreover, its passage has been supplemented by the enactment of a law to expedite the hearing of actions of public moment under the anti-trust act, known as the Sherman law, and under the act to regulate commerce, at the request of the Attorney-General; and furthermore, additional funds have been appropriated to be expended under the direction of the Attorney-General in the enforcement of these laws.

All of this represents a great and substantial advance in legislation. But more important even than legislation is the administration of the law, and I ask your attention for a moment to the way in which the law has been administered by the profound jurist and fearless public servant who now occupies the position of Attorney-General, Mr. Knox. The Constitution enjoins upon the President that he shall take care that the laws be faithfully executed, and under this



provision the Attorney-General formulated a policy which was in effect nothing but the rigid enforcement, by suits managed with consummate skill and ability, both of the anti-trust law and of the imperfect provisions of the act to regulate commerce. The first step taken was the prosecution of fourteen suits against the principal railroads of the Middle West, restraining them by injunction from further violations of either of the laws in question.

About the same time the case against the Northern Securities Company was initiated. This was a corporation organized under the laws of the State of New Jersey with a capital of four hundred million dollars, the alleged purpose being to control the Great Northern and the Northern Pacific railroad companies, two parallel and competing lines extending across the northern tier of States from the Mississippi River to the Pacific Ocean. Whatever the purpose, its consummation would have resulted in the control of the two great railway systems — upon which the people of the Northwestern States were so largely dependent for their supplies and to get their products to market — being practically merged into the New Jersey corporation. The proposition that these independent systems of railroads should be merged under a single control alarmed the people of the States concerned, lest they be subjected to what they deemed a monopoly of interstate transportation and the suppression of competition. The Governors of the States most deeply affected held a meeting to consider how to prevent the merger becoming effective and passed resolutions calling upon the National Government to

enforce the anti-trust laws against the alleged combination. When these resolutions were referred to the Attorney-General for consideration and advice, he reported that in his opinion the Northern Securities Company and its control of the railroads mentioned was a combination in restraint of trade, and was attempting a monopoly in violation of the national anti-trust law. Thereupon a suit in equity, which is now pending, was begun by the Government to test the validity of this transaction under the Sherman law.

At nearly the same time the disclosures respecting the secret rebates enjoyed by the great packing house companies, coupled with the very high price of meats, led the Attorney-General to direct an investigation into the methods of the so-called beef trust. The result was that he filed bills for injunction against six of the principal packing house companies, and restrained them from combining and agreeing upon prices at which they would sell their products in States other than those in which their meats were prepared for market. Writs of injunction were issued accordingly, and since then, after full argument, the United States Circuit Court has made the injunction perpetual.

The cotton interests of the South, including growers, buyers, and shippers, made complaint that they were suffering great injury in their business from the methods of the Southern railroads in the handling and transportation of cotton. They alleged that these railroads by combined action under a pooling arrangement to support their rate schedules, had denied to the shippers the right to elect over what roads their

commodities should be shipped, and that by dividing upon a fixed basis the cotton crop of the South all inducement to compete in rates for the transportation thereof was eliminated. Proceedings were instituted by the Attorney-General under the anti-trust law, which resulted in the destruction of the pool and in restoring to the growers and shippers of the South the right to ship their products over any road they elected, thus removing the restraint upon the freedom of commerce.

In November, 1902, the Attorney-General directed that a bill for an injunction be filed in the United States Circuit Court at San Francisco against the Federal Salt Company — a corporation which had been organized under the laws of an Eastern State, but had its main office and principal place of business in California — and against a number of other companies and persons constituting what was known as the salt trust. These injunctions were to restrain the execution of certain contracts between the Federal Salt Company and the other defendants, by which the latter agreed neither to import nor buy or sell salt, except from and to the Federal Salt Company, and not to engage or assist in the production of salt west of the Mississippi River during the continuance of such contracts. As the result of these agreements the price of salt had been advanced about four hundred per cent. A temporary injunction order was obtained, which the defendants asked the court to modify on the ground that the anti-trust law had no application to contracts for purchases and sales within a State. The Circuit Court overruled this contention and sustained the Gov-

ernment's position. This practically concluded the case, and it is understood that in consequence the Federal Salt Company is about to be dissolved and that no further contest will be made.

The above is a brief outline of the most important steps, legislative and administrative, taken during the past eighteen months in the direction of solving, so far as at present it seems practicable by national legislation or administration to solve, what we call the trust problem. They represent a sum of very substantial achievement. They represent a successful effort to devise and apply real remedies; an effort which so far succeeded because it was made not only with resolute purpose and determination, but also in a spirit of common-sense and justice, as far removed as possible from rancor, hysteria, and unworthy demagogic appeal. In the same spirit the laws will continue to be enforced. Not only is the legislation recently enacted effective, but in my judgment it was impracticable to attempt more. Nothing of value is to be expected from ceaseless agitation for radical and extreme legislation. The people may wisely, and with confidence, await the results which are reasonably to be expected from the impartial enforcement of the laws which have recently been placed upon the statute books. Legislation of a general and indiscriminate character would be sure to fail, either because it would involve all interests in a common ruin, or because it would not really reach any evil. We have endeavored to provide a discriminating adaptation of the remedy to the real mischief.

Many of the alleged remedies advocated are of the unpleasantly drastic type which seeks to

destroy the disease by killing the patient. Others are so obviously futile that it is somewhat difficult to treat them seriously or as being advanced in good faith. High among the latter I place the effort to reach the trust question by means of the tariff. You can, of course, put an end to the prosperity of the trusts by putting an end to the prosperity of the Nation; but the price for such action seems high. The alternative is to do exactly what has been done during the life of the Congress which has just closed — that is, to endeavor, not to destroy corporations, but to regulate them with a view of doing away with whatever is of evil in them and of making them subserve the public use. The law is not to be administered in the interest of the poor man as such, nor yet in the interest of the rich man as such, but in the interest of the law-abiding man, rich or poor. We are no more against organizations of capital than against organizations of labor. We welcome both, demanding only that each shall do right and shall remember its duty to the Republic. Such a course we consider not merely a benefit to the poor man, but a benefit to the rich man. We do no man an injustice when we require him to obey the law. On the contrary, if he is a man whose safety and well-being depend in a peculiar degree upon the existence of the spirit of law and order, we are rendering him the greatest service when we require him to be himself an exemplar of that spirit.

## PROSPERITY AND THE TARIFF

FROM AN ADDRESS DELIVERED IN MINNEAPOLIS,  
MINNESOTA, APRIL 4, 1903

WE are now in a condition of prosperity unparalleled not merely in our own history but in the history of any other nation. This prosperity is deep rooted and stands on a firm basis because it is due to the fact that the average American has in him the stuff out of which victors are made in the great industrial contests of the present day, just as in the great military contests of the past; and because he is now able to use and develop his qualities to best advantage under our well-established economic system. We are winning headship among the nations of the world because our people are able to keep their high average of individual citizenship and to show their mastery in the hard, complex, pushing life of the age. There will be fluctuations from time to time in our prosperity, but it will continue to grow just so long as we keep up this high average of individual citizenship and permit it to work out its own salvation under proper economic legislation.

The present phenomenal prosperity has been won under a tariff which was made in accordance with certain fixed and definite principles, the most important of which is an avowed determination to protect the interests of the American producer, business man, wage-worker, and farmer alike. The general tariff policy, to which, without regard to changes in detail, I believe this country is irrevocably committed,



is fundamentally based upon ample recognition of the difference between the cost of production — that is, the cost of labor — here and abroad, and of the need to see to it that our laws shall in no event afford advantage in our own market to foreign industries over American industries, to foreign capital over American capital, to foreign labor over our own labor. This country has and this country needs better-paid, better-educated, better-fed, and better-clothed workmen, of a higher type, than are to be found in any foreign country. It has and it needs a higher, more vigorous, and more prosperous type of tillers of the soil than is possessed by any other country. The business men, the merchants and manufacturers, and the managers of the transportation interests show the same superiority when compared with men of their type abroad. The events of the last few years have shown how skilfully the leaders of American industry use in international business competition the mighty industrial weapons forged for them by the resources of our country, the wisdom of our laws, and the skill, the inventive genius, and the administrative capacity of our people.

It is, of course, a mere truism to say that we want to use everything in our power to foster the welfare of our entire body politic. In other words, we need to treat the tariff as a business proposition, from the standpoint of the interests of the country as a whole, and not with reference to the temporary needs of any political party. It is almost as necessary that our policy should be stable as that it should be wise. A nation like ours could not long stand the ruinous policy of readjusting its business to radical changes in

the tariff at short intervals, especially when, as now, owing to the immense extent and variety of our products, the tariff schedules carry rates of duty on thousands of different articles. Sweeping and violent changes in such a tariff, touching so vitally the interests of all of us, embracing agriculture, labor, manufactures, and commerce, would be disastrous in any event, and they would be fatal to our present well-being if approached on the theory that the principle of the protective tariff was to be abandoned. The business world, that is, the entire American world, can not afford, if it has any regard for its own welfare, even to consider the advisability of abandoning the present system.

Yet on the other hand, where the industrial conditions so frequently change, as with us must of necessity be the case, it is a matter of prime importance that we should be able from time to time to adapt our economic policy to the changed conditions. Our aim should be to preserve the policy of a protective tariff, in which the Nation as a whole has acquiesced, and yet wherever and whenever necessary to change the duties in particular paragraphs or schedules as matters of legislative detail, if such change is demanded by the interests of the Nation as a whole.

In making any readjustment there are certain important considerations which can not be disregarded. If a tariff law has on the whole worked well, and if business has prospered under it and is prospering, it may be better to endure some inconveniences and inequalities for a time than by making changes to risk causing disturbance and perhaps paralysis in the industries and business of the country. The fact that

the change in a given rate of duty may be thought desirable does not settle the question whether it is advisable to make the change immediately. Every tariff deals with duties on thousands of articles arranged in hundreds of paragraphs and in many schedules. These duties affect a vast number of interests which are often conflicting. If necessary for our welfare, then of course Congress must consider the question of changing the law as a whole or changing any given rates of duty, but we must remember that whenever even a single schedule is considered some interests will appear to demand a change in almost every schedule in the law; and when it comes to upsetting the schedules generally the effect upon the business interests of the country would be ruinous.

One point we must steadily keep in mind. The question of tariff revision, speaking broadly, stands wholly apart from the question of dealing with the trusts. No change in tariff duties can have any substantial effect in solving the so-called trust problem. Certain great trusts or great corporations are wholly unaffected by the tariff. Practically all the others that are of any importance have as a matter of fact numbers of smaller American competitors; and of course a change in the tariff which would work injury to the large corporation would work not merely injury but destruction to its smaller competitors; and equally of course such a change would mean disaster to all the wage-workers connected with either the large or the small corporations. From the standpoint of those interested in the solution of the trust problem such a change would therefore merely mean that the trust was

relieved of the competition of its weaker American competitors, and thrown only into competition with foreign competitors; and that the first effort to meet this new competition would be made by cutting down wages, and would therefore be primarily at the cost of labor. In the case of some of our greatest trusts such a change might confer upon them a positive benefit. Speaking broadly, it is evident that the changes in the tariff will affect the trusts for weal or woe simply as they affect the whole country. The tariff affects trusts only as it affects all other interests. It makes all these interests, large or small, profitable; and its benefits can be taken from the large only under penalty of taking them from the small also.

To sum up, then, we must as a people approach a matter of such prime economic importance as the tariff from the standpoint of our business needs. We can not afford to become fossilized or to fail to recognize the fact that as the needs of the country change it may be necessary to meet these new needs by changing certain features of our tariff laws. Still less can we afford to fail to recognize the further fact that these changes must not be made until the need for them outweighs the disadvantages which may result; and when it becomes necessary to make them they should be made with full recognition of the need of stability in our economic system and of keeping unchanged the principle of that system which has now become a settled policy in our national life. We have prospered marvelously at home. As a nation we stand in the very forefront in the giant international industrial competition of the day. We

can not afford by any freak or folly to forfeit the position to which we have thus triumphantly attained.

## WHAT THE GOVERNMENT CAN DO FOR THE WAGE-EARNERS

FROM AN ADDRESS DELIVERED IN SIOUX FALLS,  
SOUTH DAKOTA, APRIL 6, 1903

THERE are many, many lesser problems which go to make up in their entirety the huge and complex problems of our modern industrial life. Each of these problems is, moreover, connected with many of the others. Few indeed are simple or stand only by themselves. The most important are those connected with the relation of the farmers, the stock growers and soil tillers, to the community at large, and those affecting the relations between employer and employed. In a country like ours it is fundamentally true that the well-being of the tiller of the soil and the wage-worker is the well-being of the State. If they are well off, then we need concern ourselves but little as to how other classes stand, for they will inevitably be well off too; and, on the other hand, there can be no real general prosperity unless based on the foundation of the prosperity of the wage-worker and the tiller of the soil.

But the needs of these two classes are often not the same. The tiller of the soil has been of all our citizens the one on the whole the least affected in his ways of life and methods of industry by the giant industrial changes of the last half century. There has been change with him, too, of course. He also can work to best advan-

tage if he keeps in close touch with his fellows; and the success of the national Department of Agriculture has shown how much can be done for him by rational action of the Government. Nor is it only through the Department that the Government can act. One of the greatest and most beneficent measures passed by the last Congress, or indeed by any Congress in recent years, is the Irrigation Act, which will do for the States of the Great Plains and the Rocky Mountain region at least as much as ever has been done for the States of the humid region by river and harbor improvements. . . . .

It is therefore clearly true that a great advance has been made in the direction of finding ways by which the Government can help the farmer to help himself — the only kind of help which a self-respecting man will accept, or, I may add, which will in the end do him any good. Much has been done in these ways, and farm life and farm processes continually change for the better. The farmer himself still retains, because of his surroundings and the nature of his work, to a pre-eminent degree the qualities which we like to think of as distinctly American in considering our early history. The man who tills his own farm, whether on the prairie or in the woodland, the man who grows what we eat and the raw material which is worked up into what we wear, still exists more nearly under the conditions which obtained when the "embattled farmers" of '76 made this country a nation than is true of any others of our people.

But the wage-workers in our cities, like the capitalists in our cities, face totally changed conditions. The development of machinery and the



extraordinary change in business conditions have rendered the employment of capital and of persons in large aggregations not merely profitable but often necessary for success, and have specialized the labor of the wage-worker at the same time that they have brought great aggregations of wage-workers together. More and more in our great industrial centres men have come to realize that they can not live as independently of one another as in the old days was the case everywhere, and as is now the case in the country districts.

Of course, fundamentally each man will yet find that the chief factor in determining his success or failure in life is the sum of his own individual qualities. He can not afford to lose his individual initiative, his individual will and power; but he can best use that power if for certain objects he unites with his fellows. Much can be done by organization, combination, union among the wage-workers; finally something can be done by the direct action of the State. It is not possible empirically to declare when the interference of the State should be deemed legitimate and when illegitimate.

The line of demarcation between unhealthy over-interference and unhealthy lack of regulation is not always well defined, and shifts with the change in our industrial needs. Most certainly we should never invoke the interference of the State or Nation unless it is absolutely necessary; but it is equally true that when confident of its necessity we should not on academic grounds refuse it. Wise factory laws, laws to forbid the employment of child labor and to safeguard the employees against the effects of cul-

pable negligence by the employer, are necessary, not merely in the interest of the wage-worker, but in the interest of the honest and humane employer, who should not be penalized for his honesty and humanity by being exposed to unchecked competition with an unscrupulous rival. It is far more difficult to deal with the greed that works through cunning than with the greed that works through violence. But the effort to deal with it must be steadily made.

Very much of our effort in reference to labor matters should be by every device and expedient to try to secure a constantly better understanding between employer and employee. Everything possible should be done to increase the sympathy and fellow-feeling between them, and every chance taken to allow each to look at all questions, especially at questions in dispute, somewhat through the other's eyes. If met with a sincere desire to act fairly by one another, and if there is, furthermore, power by each to appreciate the other's standpoint, the chance for trouble is minimized. I suppose every thinking man rejoices when by mediation or arbitration it proves possible to settle troubles in time to avert the suffering and bitterness caused by strikes. Moreover, a conciliation committee can do best work when the trouble is in its beginning, or at least has not come to a head. When the break has actually occurred, damage has been done, and each side feels sore and angry; and it is difficult to get them together — difficult to make either forget its own wrongs and remember the rights of the other. If possible the effort at conciliation or mediation or arbitration should be made in the earlier stages, and should

be marked by the wish on the part of both sides to try to come to a common agreement which each shall thing in the interests of the other as well as of itself.

When we deal with such a subject we are fortunate in having before us an admirable object-lesson in the work that has just been closed by the Anthracite Coal Strike Commission. This was the Commission which was appointed last fall at the time when the coal strike in the anthracite regions threatened our Nation with a disaster second to none which has befallen us since the days of the Civil War. Their report was made just before the Senate adjourned at the special session; and no Government document of recent years marks a more important piece of work better done, and there is none which teaches sounder social morality to our people. The commission consisted of seven as good men as were to be found in the country, representing the bench; the church, the army, the professions, the employers, and the employed. They acted as a unit, and the report which they unanimously signed is a masterpiece of sound common-sense and of sound doctrine on the very questions with which our people should most deeply concern themselves. The immediate effect of this commission's appointment and action was of vast and incalculable benefit to the Nation; but the ultimate effect will be even better, if capitalist, wage-worker, and lawmaker alike will take to heart and act upon the lessons set forth in the report they have made.

Of course the National Government has but a small field in which it can work in labor matters. Something it can do, however, and that

something ought to be done. Among other things I should like to see the District of Columbia, which is completely under the control of the National Government, receive a set of model labor laws. Washington is not a city of very large industries, but still it has some. Wise labor legislation for the city of Washington would be a good thing in itself, and it would be a far better thing, because a standard would thereby be set for the country as a whole.

In the field of general legislation relating to these subjects the action of Congress is necessarily very limited. Still there are certain ways in which we can act. Thus the Secretary of the Navy has recommended, with my cordial and hearty approval, the enactment of a strong employers'-liability law in the navy yards of the Nation. It should be extended to similar branches of the Government work. Again, sometimes such laws can be enacted as an incident to the Nation's control over interstate commerce. In my last annual Message to Congress I advocated the passage of a law in reference to car couplings — to strengthen the features of the one already on the statute books so as to minimize the exposure to death and maiming of railway employees. Much opposition had to be overcome. In the end an admirable law was passed "to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their cars with automatic couplers and continuous brakes and their locomotives with driving-wheel brakes." This law received my signature a couple of days before Congress adjourned. It represents a real and substantial advance in an admirable kind of legislation.

## TRUST LEGISLATION

AN ADDRESS DELIVERED IN JAMESTOWN, NORTH  
DAKOTA, APRIL 7, 1903

I HAVE only time to develop one thought to you to-day, and that is suggested to me by a letter sent me by a labor organization here in your city thanking me for some of the work that has been done in Congress this year, in connection with labor matters, in connection with what is called trust legislation. All that we have been trying to do, with a certain fair amount of success, through legislation and through administration, has been to do square and equal justice between man and man; to try to give every man a fair chance, to try to secure good treatment for him, if he deserves it, be he rich or poor, and to try to see that he does not wrong his fellow. After all, that is about what must be the essence of legislation, if it is to be really good legislation. Take such a matter as these so-called anti-trust laws—I always hate to have them called anti-trust laws or anti-corporation laws because they are not designed to hurt any corporation, they are simply designed for such regulations and control as will prevent the doing of ill. Take the anti-rebate law passed by the last Congress. It was merely designed to make effective previous legislation, to prevent any discrimination by any railroad in favor of or against any particular shipper—not trying to favor the big shipper or the little shipper; only trying to secure a fair deal for each, get fair play for each, so that each man

shall have the chance to which he is entitled. That is not a bill aimed at the railroads, it is only aimed at any railroad that does anything wrong, in the same way that it is aimed at a shipper that does anything wrong — no more against the big shipper than the little shipper. It is meant to do square justice to each man, big or little, and to ensure, as far as by legislation we can secure, that he will do fair justice in return.

Take the report of the Anthracite Coal Strike Commission and the spirit in which that commission went to work. They were not trying to decide for the operators or for the miners. They were trying to do justice to both the operator and the miner, and to secure justice for the general public.

Legislation to be thoroughly effective for good must proceed upon the principle of aiming to get for each man a fair chance to allow him to show the stuff there is in him. No legislation can make some men prosperous; no legislation can give wisdom to the foolish, courage to the timid, strength to the shiftless. All that legislation can do, and all that honest and fearless administration of the laws can do is to give each man as good a chance as possible to develop the qualities he has in him, and to protect him so far as is humanly possible against wrong of any kind at the hands of his fellows. That is what legislation can do, and that I think I may say we have successfully tried to do both by legislation and by the administration of the law.

I have seen you grow up. I am proud of you. I can assure you that so far as in me lies the efforts of the National Government, legislative



and administrative, will be to help you and all others of our people in the only way in which they can be helped — to help them to help themselves, to help them so that each man shall have the fairest field to show the stuff that there is in him, the qualities that he has at his command.

## THE COAL STRIKE COMMISSION

FROM AN ADDRESS DELIVERED IN OMAHA,  
NEBRASKA, APRIL 27, 1903

I HAVE spoken of the homage we should pay to the memory of Grant. It is the homage we should pay to the memory of Lincoln, the homage we should pay to all of our fellow-countrymen who have at any time rendered great service to the Republic, and it can be rendered in most efficient form not by merely praising them for having dealt with problems which now we do not have to face, but by facing our problems in the same spirit in which they faced theirs. Nothing was more noteworthy in all of Lincoln's character than the way in which he combined fealty to the loftiest ideal with a thoroughly practical capacity to achieve that ideal by practical methods. He did not war with phantoms; he did not struggle among the clouds; he faced facts; he endeavored to get the best results he could out of the warring forces with which he had to deal. When he could not get the best he was forced to content himself, and did content himself, with the best possible. What he did in his day we must do in ours. It is not possible to lay down any rule of conduct so specific that it will enable us to meet each particular issue as it

arises. All that can be done is to lay down certain general rules, and then to try, each man for himself, to apply those general rules to the specific cases that come up.

Our complex industrial civilization has not only been productive of much benefit, but has also brought us face to face with many puzzling problems; problems that are puzzling, partly because there are men that are wicked, partly because there are good men who are foolish or short-sighted. There are many such to-day — the problems of labor and capital, the problems which we group together rather vaguely when we speak of the problems of the trusts, the problems affecting the farmers on the one hand, the railroads on the other. It would not be possible in any one place to deal with the particular shapes which these problems take at that time and in that place. And yet, there are certain general rules which can be laid down for dealing with them, and those rules are the immutable rules of justice, of sanity, of courage, of common-sense. Six months ago it fell to my lot to appoint a commission to investigate into and conclude about matters connected with the great and menacing strike in the anthracite coal fields of Pennsylvania. On that commission I appointed representatives of the church, of the bench, of the army, a representative of the capitalists of the region, and a representative of organized labor. They published a report which was not only of the utmost moment because of dealing with the great and vital problem with which they were appointed to deal, but also because in its conclusions it initiated certain general rules in so clear and masterful a fashion

that I wish most earnestly it could receive the broadest circulation as a tract wherever there exists or threatens to exist trouble in any way akin to that with which those commissioners dealt.

If I might give a word of advice to Omaha, I should like to see your daily press publish in full the concluding portion of that report of the Anthracite Coal Strike Commission, signed by all the members thereof, by those in a special sense the champion of the wage-worker, and by those in a special sense identified with capital, organized or unorganized; because, men and women of Omaha, those people did not speak first as capitalist or as laborer, did not speak first as judge, as army man, as church man, but all of them signed that report as American citizens anxious to see right and justice prevail. No one quality will get us out of any difficulty. We need more than one; we need a good many. We need, as I said, the power first of each man's honestly trying to look at the problem from his fellow's standpoint. Capitalist and wage-worker alike should honestly endeavor each to look at any matter from the other's standpoint, with a freedom on the one hand from the contemptible arrogance which looks down upon the man of less means, and on the other, from the no less contemptible envy, jealousy and rancor, which hates another because he is better off. Each quality is the supplement of the other, and in point of baseness there is not the weight of a finger to choose between them. Look at the report signed by those men; look at it in the spirit in which they wrote it, and if you can only make yourselves, make this community, approach

the problems of to-day in the spirit that those men, your fellows, showed in approaching the problem of yesterday, your problems will be solved.

Any man who tries to excite class hatred, sectional hate, hate of creeds, any kind of hatred in our community, though he may affect to do it in the interest of the class he is addressing, is in the long run with absolute certainty that class's own worst enemy. In the long run, and as a whole, we are going to go up or go down together. Of course there will be individual exceptions, small, local exceptions, exceptions in kind, exceptions in place; but as a whole, if the commonwealth prospers some measure of prosperity comes to all of us. If it is not prosperous, then the adversity, though it may fall unequally upon us, will weigh more or less upon all. It lies with us ourselves to determine our own fate. I can not too often say that the wisest law, the best administration of the law, can do naught more than give us a fair field in which to work out that fate aright. If as individuals, or as a community, we mar our future by our own folly, let us remember that it is upon ourselves that the responsibility must rest.

## LIBERTY THROUGH LAW

ADDRESS DELIVERED IN SPOKANE, WASHINGTON,  
MAY 26, 1903

I AM in a city at the eastern gateway of this State with the great railroad systems of the State running through it. On the western edge of this State in Puget Sound I have seen the homing

places of the great steamship lines, which, in connection with these great railroads, are doing so much to develop the Oriental trade of this country and this State. Washington will owe no small part of its future greatness, and that greatness will be great indeed, to the fact that it is thus doing its share in acquiring for the United States the dominance of the Pacific. Those railroads, the men and the corporations that have built them, have rendered a very great service to the community. The men who are building, the corporations which are building, the great steamship lines, have likewise rendered a very great service to the community. Every man who has made wealth or used it in developing great legitimate business enterprises has been of benefit and not harm to the country at large. This city has grown by leaps and bounds only when the railroads came to it, when the railroads came to the State; and if the State were now cut off from its connection by rail and by steamship with the rest of the world its position would of course diminish incalculably. Great good has come from the development of our railroad system; great good has been done by the individuals and corporations that have made that development possible; and in return good is done to them, and not harm, when they are required to obey the law. Ours is a government of liberty by, through and under the law. No man is above it and no man is below it. The crime of cunning, the crime of greed, the crime of violence, are all equally crimes, and against them all alike the law must set its face. This is not and never shall be a government either of a plutocracy or of a mob. It is, it has been, and

it will be, a government of the people; including alike the people of great wealth and of moderate wealth, the people who employ others, the people who are employed, the wage-worker, the lawyer, the mechanic, the banker, the farmer; including them all, protecting each and every one if he acts decently and squarely, and discriminating against any one of them, no matter from what class he comes, if he does not act squarely and fairly, if he does not obey the law. While all people are foolish if they violate or rail against the law — wicked as well as foolish, but all foolish — yet the most foolish man in this Republic is the man of wealth who complains because the law is administered with impartial justice against or for him. His folly is greater than the folly of any other man who so complains; for he lives and moves and has his being because the law does in fact protect him and his property.

We have the right to ask every decent American citizen to rally to the support of the law if it is ever broken against the interest of the rich man; and we have the same right to ask that rich man cheerfully and gladly to acquiesce in the enforcement against his seeming interest of the law, if it is the law. Incidentally, whether he acquiesces or not, the law will be enforced, and this whoever he may be, great or small, and at whichever end of the social scale he may be.

I ask that we see to it in our country that the line of division in the deeper matters of our citizenship be drawn, never between section and section, never between creed and creed, never, thrice never, between class and class; but that the line be drawn on the line of conduct, cut-



ting through sections, cutting through creeds, cutting through classes; the line that divides the honest from the dishonest, the line that divides good citizenship from bad citizenship, the line that declares a man a good citizen only if, and always if, he acts in accordance with the immutable law of righteousness, which has been the same from the beginning of history to the present moment, and which will be the same from now until the end of recorded time.

## THE SUPREMACY OF LAW

ADDRESS DELIVERED IN BUTTE, MONTANA, MAY  
27, 1903

It would have been a great pleasure to come to Butte in any event; it is a double pleasure to come here at the invitation of the representatives of the wage-workers of Butte. I do not say merely workingmen, because I hold that every good American who does his duty must be a workingman. There are many different kinds of work to do; but so long as the work is honorable, is necessary, and is well done, the man who does it well is entitled to the respect of his fellows.

I have come here to this meeting especially as the invited guest of the wage-workers, and I am happy to be able to say that the kind of speech I will make to you, I would make just in exactly the same language to any group of employers or any set of our citizens in any corner of this Republic. I do not think so far as I know that I have ever promised beforehand

anything I did not make a strong effort to make good afterward. It is sometimes very attractive and very pleasant to make any kind of a promise without thinking whether or not you can fulfil it; but in the after event it is always unpleasant when the time for fulfilling comes; for in the long run the most disagreeable truth is a safer companion than the most pleasant falsehood.

To-night I have come hither looking on either hand at the results of the enterprises which have made Butte so great. The man who by the use of his capital develops a great mine, the man who by the use of his capital builds a great railroad, the man who by the use of his capital either individually or joined with others like him does any great legitimate business enterprise, confers a benefit, not a harm, upon the community, and is entitled to be so regarded. He is entitled to the protection of the law, and in return he is to be required himself to obey the law. The law is no respecter of persons. The law is to be administered neither for the rich man as such, nor for the poor man as such. It is to be administered for every man, rich or poor, if he is an honest and law-abiding citizen; and it is to be invoked against any man, rich or poor, who violates it, without regard to which end of the social scale he may stand at, without regard to whether his offence takes the form of greed and cunning, or the form of physical violence; in either case if he violates the law, the law is to be invoked against him; and in so invoking it I have the right to challenge the support of all good citizens and to demand the acquiescence of every good man. I hope I will have it; but once for

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all I wish it understood that even if I do not have it I shall enforce the law.

The soldiers who fought in the great Civil War fought for liberty under, by, and through the law; and they fought to put a stop once for all to any effort to sunder this country on the lines of sectional hatred; therefore their memory shall be forever precious to our people. We need to keep ever in mind that he is the worst enemy of this country who would strive to separate its people along the lines of section against section, of creed against creed, or of class against class. There are two sides to that. It is a base and an infamous thing for the man of means to act in a spirit of arrogant and brutal disregard of right toward his fellow who has less means; and it is no less infamous, no less base, to act in a spirit of rancor, envy, and hatred against the man of greater means, merely because of his greater means. If we are to preserve this Republic as it was founded, as it was handed down to us by the men of '61 to '65, and as it is and will be, we must draw the line never between section and section, never between creed and creed, thrice never between class and class; but along the line of conduct, the line that separates the good citizen wherever he may be found from the bad citizen wherever he may be found. This is not and never shall be a government of a plutocracy; it is not and never shall be a government by a mob. It is as it has been and as it will be, a government in which every honest man, every decent man, be he employer or employed, wage-worker, mechanic, banker, lawyer, farmer, be he who he may, if he acts squarely and fairly, if he does his duty by his neighbor

and the State, receives the full protection of the law and is given the amplest chance to exercise the ability that there is within him, alone or in combination with his fellows as he desires. My friends, it is sometimes easier to preach a doctrine under which the millennium will be promised off-hand if you have a particular kind of law, or follow a particular kind of conduct — it is easier, but it is not better. The millennium is not here; it is some thousand years off yet. Meanwhile there must be a good deal of work and struggle, a good deal of injustice; we shall often see the tower of Siloam fall on the just as well as the unjust. We are bound in honor to try to remedy injustice, but if we are wise we will seek to remedy it in practical ways. Above all, remember this: that the most unsafe adviser to follow is the man who would advise us to do wrong in order that we may benefit by it. That man is never a safe man to follow; he is always the most dangerous of guides. The man who seeks to persuade any of us that our advantage comes in wronging or oppressing others can be depended upon, if the opportunity comes, to do wrong to us in his own interest, just as he has endeavored to make us in our supposed interest do wrong to others.

## CLASS GOVERNMENT

ADDRESS AT THE STATE FAIR IN SYRACUSE, NEW  
YORK, SEPTEMBER 7, 1903

IN speaking on Labor Day at the annual fair of the New York State Agricultural Association, it is natural to keep especially in mind the two

bodies who compose the majority of our people and upon whose welfare depends the welfare of the entire State. If circumstances are such that thrift, energy, industry, and forethought enable the farmer, the tiller of the soil, on the one hand, and the wage-worker, on the other, to keep themselves, their wives, and their children in reasonable comfort, then the State is well off, and we can be assured that the other classes in the community will likewise prosper. On the other hand, if there is in the long run a lack of prosperity among the two classes named, then all other prosperity is sure to be more seeming than real. It has been our profound good fortune as a Nation that hitherto, disregarding exceptional periods of depression and the normal and inevitable fluctuations, there has been on the whole from the beginning of our government to the present day a progressive betterment alike in the condition of the tiller of the soil and in the condition of the man who, by his manual skill and labor, supports himself and his family, and endeavors to bring up his children so that they may be at least as well off as, and if possible better off than he himself has been. There are, of course, exceptions, but as a whole the standard of living among the farmers of our country has risen from generation to generation, and the wealth represented on the farms has steadily increased, while the wages of labor have likewise risen, both as regards the actual money paid and as regards the purchasing power which that money represents.

Side by side with this increase in the prosperity of the wage-worker and the tiller of the soil has gone on a great increase in prosperity among

the business men and among certain classes of professional men; and the prosperity of these men has been partly the cause and partly the consequence of the prosperity of farmer and wage-worker. It can not be too often repeated that in this country, in the long run, we all of us tend to go up or go down together. If the average of well-being is high, it means that the average wage-worker, the average farmer, and the average business man are all alike well off. If the average shrinks, there is not one of these classes which will not feel the shrinkage. Of course there are always some men who are not affected by good times, just as there are some men who are not affected by bad times. But speaking broadly, it is true that if prosperity comes all of us tend to share more or less therein, and that if adversity comes each of us, to a greater or less extent feels the tension. Unfortunately, in this world the innocent frequently find themselves obliged to pay some of the penalty for the misdeeds of the guilty; and so if hard times come, whether they be due to our own fault or to our misfortune, whether they be due to some burst of speculative frenzy that has caused a portion of the business world to lose its head—a loss which no legislation can possibly supply—or whether they be due to any lack of wisdom in a portion of the world of labor—in each case the trouble once started is felt more or less in every walk of life.

It is all-essential to the continuance of our healthy national life that we should recognize this community of interest among our people. The welfare of each of us is dependent fundamentally upon the welfare of all of us, and



therefore in public life that man is the best representative of each of us who seeks to do good to each by doing good to all; in other words, whose endeavor it is, not to represent any special class and promote merely that class's selfish interests, but to represent all true and honest men of all sections and all classes and to work for their interests by working for our common country.

We can keep our government on a sane and healthy basis, we can make and keep our social system what it should be, only on condition of judging each man, not as a member of a class, but on his worth as a man. It is an infamous thing in our American life, and fundamentally treacherous to our institutions, to apply to any man any test save that of his personal worth, or to draw between two sets of men any distinction save the distinction of conduct, the distinction that marks off those who do well and wisely from those who do ill and foolishly. There are good citizens and bad citizens in every class as in every locality, and the attitude of decent people toward great public and social questions should be determined, not by the accidental questions of employment or locality, but by those deep-set principles which represent the innermost souls of men.

The failure in public and in private life thus to treat each man on his own merits, the recognition of this government as being either for the poor as such or for the rich as such, would prove fatal to our Republic, as such failure and such recognition have always proved fatal in the past to other republics. A healthy republican government must rest upon individuals, not upon

classes or sections. As soon as it becomes government by a class or by a section it departs from the old American ideal.

It is, of course, the merest truism to say that free institutions are of avail only to people who possess the high and peculiar characteristics needed to take advantage of such institutions. The century that has just closed has witnessed many and lamentable instances in which people have seized a government free in form, or have had it bestowed upon them, and yet have permitted it under the forms of liberty to become some species of despotism or anarchy, because they did not have in them the power to make this seeming liberty one of deed instead of one merely of word. Under such circumstances the seeming liberty may be supplanted by a tyranny or despotism in the first place, or it may reach the road of despotism by the path of license and anarchy. It matters but little which road is taken. In either case the same goal is reached. People show themselves just as unfit for liberty whether they submit to anarchy or to tyranny; and class government, whether it be the government of a plutocracy or the government of a mob, is equally incompatible with the principles established in the days of Washington and perpetuated in the days of Lincoln.

Many qualities are needed by a people which would preserve the power of self-government in fact as well as in name. Among these qualities are forethought, shrewdness, self-restraint, the courage which refuses to abandon one's own rights, and the disinterested and kindly good sense which enables one to do justice to the rights of others. Lack of strength and lack of

courage unfit men for self-government on the one hand; and on the other, brutal arrogance, envy, in short, any manifestation of the spirit of selfish disregard, whether of one's own duties or of the rights of others, are equally fatal.

In the history of mankind many republics have risen, have flourished for a less or greater time, and then have fallen because their citizens lost the power of governing themselves and thereby of governing their state; and in no way has this loss of power been so often and so clearly shown as in the tendency to turn the government into a government primarily for the benefit of one class instead of a government for the benefit of the people as a whole.

Again and again in the republics of ancient Greece, in those of mediæval Italy and mediæval Flanders, this tendency was shown, and wherever the tendency became a habit it invariably and inevitably proved fatal to the state. In the final result it mattered not one whit whether the movement was in favor of one class or of another. The outcome was equally fatal, whether the country fell into the hands of a wealthy oligarchy which exploited the poor or whether it fell under the domination of a turbulent mob which plundered the rich. In both cases there resulted violent alternations between tyranny and disorder, and a final complete loss of liberty to all citizens — destruction in the end overtaking the class which had for the moment been victorious as well as that which had momentarily been defeated. The death knell of the Republic had rung as soon as the active power became lodged in the hands of those who sought, not to do justice to all citizens, rich and

poor alike, but to stand for one special class and for its interests as opposed to the interests of others.

The reason why our future is assured lies in the fact that our people are genuinely skilled in and fitted for self-government and therefore will spurn the leadership of those who seek to excite this ferocious and foolish class antagonism. The average American knows not only that he himself intends to do about what is right, but that his average fellow-countryman has the same intention and the same power to make his intention effective. He knows, whether he be business man, professional man, farmer, mechanic, employer, or wage-worker, that the welfare of each of these men is bound up with the welfare of all the others; that each is neighbor to the other, is actuated by the same hopes and fears, has fundamentally the same ideals, and that all alike have much the same virtues and the same faults. Our average fellow-citizen is a sane and healthy man, who believes in decency and has a wholesome mind. He therefore feels an equal scorn alike for the man of wealth guilty of the mean and base spirit of arrogance toward those who are less well off, and for the man of small means who in his turn either feels, or seeks to excite in others the feeling of mean and base envy for those who are better off. The two feelings, envy and arrogance, are but opposite sides of the same shield, but different developments of the same spirit. Fundamentally, the unscrupulous rich man who seeks to exploit and oppress those who are less well off is in spirit not opposed to, but identical with, the unscrupulous poor man who desires to plunder and op-

press those who are better off. The courtier and the demagogue are but developments of the same type under different conditions, each manifesting the same servile spirit, the same desire to rise by pandering to base passions; though one panders to power in the shape of a single man and the other to power in the shape of a multitude. So likewise the man who wishes to rise by wronging others must by right be contrasted, not with the man who likewise wishes to do wrong, though to a different set of people, but with the man who wishes to do justice to all people and to wrong none.

The line of cleavage between good and bad citizenship lies, not between the man of wealth who acts squarely by his fellows and the man who seeks each day's wage by that day's work, wronging no one and doing his duty by his neighbor; nor yet does this line of cleavage divide the unscrupulous wealthy man who exploits others in his own interest, from the demagogue, or from the sullen and envious being who wishes to attack all men of property, whether they do well or ill. On the contrary, the line of cleavage between good citizenship and bad citizenship separates the rich man who does well from the rich man who does ill, the poor man of good conduct from the poor man of bad conduct. This line of cleavage at right angles to any such arbitrary line of division as that separating one class from another, one locality from another, or men with a certain degree of property from those of a less degree of property.

The good citizen is the man who, whatever his wealth or his poverty, strives manfully to do his duty to himself, to his family, to his neighbor, to

the State; who is incapable of the baseness which manifests itself either in arrogance or in envy, but who while demanding justice for himself is no less scrupulous to do justice to others. It is because the average American citizen, rich or poor, is of just this type that we have cause for our profound faith in the future of the Republic.

Ours is a government of liberty, by, through, and under the law. Lawlessness and connivance at law-breaking — whether the law-breaking take the form of a crime of greed and cunning or of a crime of violence — are destructive not only of order, but of the true liberties which can only come through order. If alive to their true interests rich and poor alike will set their faces like flint against the spirit which seeks personal advantage by overriding the laws, without regard to whether this spirit shows itself in the form of bodily violence by one set of men or in the form of vulpine cunning by another set of men.

Let the watchwords of all our people be the old familiar watchwords of honesty, decency, fair-dealing and common sense. The qualities denoted by these words are essential to all of us, as we deal with the complex industrial problems of to-day, the problems affecting not merely the accumulation but even more the wise distribution of wealth. We ask no man's permission when we require him to obey the law; neither the permission of the poor man nor yet of the rich man. Least of all can the man of great wealth afford to break the law, even for his own financial advantage; for the law is his prop and support, and it is both foolish and profoundly unpatriotic for him to fail in giving



hearty support to those who show that there is in very fact one law, and one law only, alike for the rich and the poor, for the great and the small.

Men sincerely interested in the due protection of property, and men sincerely interested in seeing that the just rights of labor are guaranteed, should alike remember not only that in the long run neither the capitalist nor the wage-worker can be helped in healthy fashion save by helping the other; but also that to require either side to obey the law and do its full duty toward the community is emphatically to that side's real interest.

There is no worse enemy of the wage-worker than the man who condones mob violence in any shape or who preaches class hatred; and surely the slightest acquaintance with our industrial history should teach even the most short-sighted that the times of most suffering for our people as a whole, the times when business is stagnant, and capital suffers from shrinkage and gets no return from its investments, are exactly the times of hardship, and want, and grim disaster among the poor. If all the existing instrumentalities of wealth could be abolished, the first and severest suffering would come among those of us who are least well off at present. The wage-worker is well off only when the rest of the country is well off; and he can best contribute to this general well-being by showing sanity and a firm purpose to do justice to others.

In his turn the capitalist who is really a conservative, the man who has forethought as well as patriotism, should heartily welcome every effort, legislative or otherwise, which has for its

object to secure fair dealing by capital, corporate or individual, toward the public and toward the employee. Such laws as the franchise-tax law in this State, which the Court of Appeals recently unanimously decided constitutional — such a law as that passed in Congress last year for the purpose of establishing a Department of Commerce and Labor, under which there should be a bureau to oversee and secure publicity from the great corporations which do an interstate business — such a law as that passed at the same time for the regulation of the great highways of commerce so as to keep these roads clear on fair terms to all producers in getting their goods to market — these laws are in the interest not merely of the people as a whole, but of the propertied classes. For in no way is the stability of property better assured than by making it patent to our people that property bears its proper share of the burdens of the State; that property is handled not only in the interest of the owner, but in the interest of the whole community.

In other words, legislation to be permanently good for any class must also be good for the Nation as a whole, and legislation which does injustice to any class is certain to work harm to the Nation. Take our currency system for example. This Nation is on a gold basis. The treasury of the public is in excellent condition. Never before has the per capita of circulation been as large as it is this day; and this circulation, moreover, is of money every dollar of which is at par with gold. Now, our having this sound currency system is of benefit to banks, of course, but it is of infinitely more benefit to the people

as a whole, because of the healthy effect on business conditions.

In the same way, whatever is advisable in the way of remedial or corrective currency legislation—and nothing revolutionary is advisable under present conditions—must be undertaken only from the standpoint of the business community as a whole, that is, of the American body politic as a whole. Whatever is done, we can not afford to take any step backward or to cast any doubt upon the certain redemption in standard coin of every circulating note.

Among ourselves we differ in many qualities of body, head and heart; we are unequally developed, mentally as well as physically. But each of us has the right to ask that he shall be protected from wrongdoing as he does his work and carries his burden through life. No man needs sympathy because he has to work, because he has a burden to carry. Far and away the best prize that life offers is the chance to work hard at work worth doing; and this is a prize open to every man, for there can be no work better worth doing than that done to keep in health and comfort and with reasonable advantages those immediately dependent upon the husband, the father, or the son.

There is no room in our healthy American life for the mere idler, for the man or the woman whose object it is throughout life to shirk the duties which life ought to bring. Life can mean nothing worth meaning, unless its prime aim is the doing of duty, the achievement of results worth achieving. A recent writer has finely said: "After all, the saddest thing that can happen to a man is to carry no burdens. To be

bent under too great a load is bad ; to be crushed by it is lamentable ; but even in that there are possibilities that are glorious. But to carry no load at all — there is nothing in that. No one seems to arrive at any goal really worth reaching in this world who does not come to it heavy laden."

Surely from our own experience each one of us knows that this is true. From the greatest to the smallest, happiness and usefulness are largely found in the same soul, and the joy of life is won in its deepest and truest sense only by those who have not shirked life's burdens. The men whom we most delight to honor in all this land are those who, in the iron years from '61 to '65, bore on their shoulders the burden of saving the Union. They did not choose the easy task. They did not shirk the difficult duty. Deliberately and of their own free will they strove for an ideal, upward and onward across the stony slopes of greatness. They did the hardest work that was then to be done ; they bore the heaviest burden that any generation of Americans ever had to bear ; and because they did this they have won such proud joy as it has fallen to the lot of no other men to win, and have written their names for evermore on the golden honor roll of the Nation. As it is with the soldier, so it is with the civilian. To win success in the business world, to become a first-class mechanic, a successful farmer, an able lawyer or doctor, means that the man has devoted his best energy and power through long years to the achievement of his ends. So it is in the life of the family, upon which in the last analysis the whole welfare of the Nation rests. The

man or woman who as bread-winner and home-maker, or as wife and mother, has done all that he or she can do, patiently and uncomplainingly, is to be honored; and is to be envied by all those who have never had the good fortune to feel the need and duty of doing such work. The woman who has borne, and who has reared as they should be reared, a family of children, has in the most emphatic manner deserved well of the Republic. Her burden has been heavy, and she has been able to bear it worthily only by the possession of resolution, of good sense, of conscience, and of unselfishness. But if she has borne it well, then to her shall come the supreme blessing, for in the words of the oldest and greatest of books, "Her children shall rise up and call her blessed;" and among the benefactors of the land her place must be with those who have done the best and the hardest work, whether as law-givers or as soldiers, whether in public or private life.

This is not a soft and easy creed to preach. It is a creed willingly learned only by men and women who, together with the softer virtues, possess also the stronger; who can do, and dare, and die at need, but who while life lasts will never flinch from their allotted task. You farmers, and wage-workers, and business men of this great State, of this mighty and wonderful Nation, are gathered together to-day, proud of your State and still prouder of your Nation, because your forefathers and predecessors have lived up to just this creed. You have received from their hands a great inheritance, and you will leave an even greater inheritance to your children, and your childrens' children, provided only

that you practice alike in your private and your public lives the strong virtues that have given us as a people greatness in the past. It is not enough to be well-meaning and kindly, but weak; neither is it enough to be strong, unless morality and decency go hand in hand with strength. We must possess the qualities which make us do our duty in our homes and among our neighbors, and in addition we must possess the qualities which are indispensable to the make-up of every great and masterful nation — the qualities of courage and hardihood, of individual initiative and yet of power to combine for a common end, and above all, the resolute determination to permit no man and no set of men to sunder us one from the other by lines of caste or creed or section. We must act upon the motto of all for each and each for all. There must be ever present in our minds the fundamental truth that in a republic such as ours the only safety is to stand neither for nor against any man because he is rich or because he is poor, because he is engaged in one occupation or another, because he works with his brains or because he works with his hands. We must treat each man on his worth and merits as a man. We must see that each is given a square deal, because he is entitled to no more and should receive no less. Finally we must keep ever in mind that a republic such as ours can exist only by virtue of the orderly liberty which comes through the equal domination of the law over all men alike, and through its administration in such resolute and fearless fashion as shall teach all that no man is above it and no man below it.



## GOVERNMENT EMPLOY AND THE LABOR UNIONS

THE following letters and remarks were called forth by the "Miller Case." On May 19, William A. Miller, assistant foreman in the Government Printing Office, was discharged by the Public Printer. He filed a complaint with the President and another with the Civil Service Commission, charging that his removal was in violation of the civil service law. Civil Service Rule XII provided that no person should be removed from a competitive position except for such cause as would promote efficiency in the public service. The Civil Service Commission reported that the only cause assigned for Miller's removal was his prior expulsion from the local union of the International Brotherhood of Bookbinders, and this the Commission did not consider a legal cause. An investigation was also made by the secretary of Commerce and Labor, Hon. George B. Cortelyou, whose report to the President elicited from the latter the following letters:

OYSTER BAY, N. Y.

*July 13, 1903.*

MY DEAR SECRETARY CORTELYOU:

In accordance with the letter of the Civil Service Commission of July 6th, the Public Printer will reinstate Mr. W. A. Miller in his position. Meanwhile I will withhold my final decision of the whole case until I have received the report of the investigation on Miller's second communication, which you notify me has been begun to-day, July 13th.

On the face of the papers presented, Miller would appear to have been removed in violation of law. There is no objection to the employees of the Government Printing Office constituting themselves into a union if they so desire; but no rules or resolutions of that union can be permitted to over-ride the laws of the United States, which it is my sworn duty to enforce.

Please communicate a copy of this letter to the Public Printer for his information and that of his subordinates.

Very truly yours,

THEODORE ROOSEVELT.

HON. GEORGE B. CORTELYOU,

Secretary of Commerce and Labor.

OYSTER BAY, N. Y.

*July 14, 1903.*

MY DEAR MR. CORTELYOU:

In connection with my letter of yesterday, I call attention to this judgment and award by the Anthracite Coal Strike Commission in its report to me of March 18th last:

It is adjudged and awarded that no person shall be refused employment or in any way discriminated against on account of membership or non-membership in any labor organization, and that there shall be no discrimination against or interference with any employee who is not a member of any labor organization by members of such organization.

I heartily approve of this award and judgment by the commission appointed by me, which itself

included a member of a labor union. This commission was dealing with labor organizations working for private employers. It is of course mere elementary decency to require that all the Government departments shall be handled in accordance with the principle thus clearly and fearlessly enunciated.

Please furnish a copy of this letter both to Mr. Palmer and to the Civil Service Commission for their guidance.

Sincerely yours,

THEODORE ROOSEVELT.

HON. GEORGE B. CORTELYOU,  
Secretary of Commerce and Labor.

On September 29, 1903, the President granted a hearing on this and other matters to five members of the executive council of the American Federation of Labor, and made the following statement on the Miller case:

As regards the Miller case, I have little to add to what I have already said. In dealing with it I ask you to remember that I am dealing purely with the relation of the Government to its employees. I must govern my action by the laws of the land, which I am sworn to administer, and which differentiate any case in which the Government of the United States is a party from all other cases whatsoever. These laws are enacted for the benefit of the whole people, and can not and must not be construed as permitting discrimination against some of the people. I am President of all the people of the United States, without regard to creed, color, birth-place, occupation, or social condition. My aim

is to do equal and exact justice as among them all. In the employment and dismissal of men in the Government service I can no more recognize the fact that a man does or does not belong to a union as being for or against him than I can recognize the fact that he is a Protestant or a Catholic, a Jew or a Gentile, as being for or against him.

In the communications sent me by various labor organizations protesting against the retention of Miller in the Government Printing Office, the grounds alleged are twofold: 1, that he is a non-union man; 2, that he is not personally fit. The question of his personal fitness is one to be settled in the routine of administrative detail, and can not be allowed to conflict with or to complicate the larger question of governmental discrimination for or against him or any other man because he is or is not a member of a union. This is the only question now before me for decision; and as to this my decision is final.

## NATIONAL REGULATION OF ALL CORPORATIONS DOING AN INTERSTATE BUSINESS

FROM THE PRESIDENT'S MESSAGE AT THE OPENING  
OF THE FIRST SESSION OF THE FIFTY-SEVENTH  
CONGRESS, DECEMBER 3, 1901

DURING the past five years business confidence has been restored and the nation is to be congratulated because of its present abounding prosperity. Such prosperity can never be created by law alone, although it is easy enough to destroy

it by mischievous laws. If the hand of the Lord is heavy upon any country, if flood or drought comes, human wisdom is powerless to avert the calamity. Moreover, no law can guard us against the consequences of our own folly. The men who are idle or credulous, the men who seek gains not by genuine work with head or hand but by gambling in any form, are always a source of menace not only to themselves but to others. If the business world loses its head, it loses what legislation can not supply. Fundamentally the welfare of each citizen, and therefore the welfare of the aggregate of citizens which makes the nation, must rest upon individual thrift and energy, resolution and intelligence. Nothing can take the place of this individual capacity; but wise legislation and honest and intelligent administration can give it the fullest scope, the largest opportunity to work to good effect.

The tremendous and highly complex industrial development which went on with ever accelerated rapidity during the latter half of the nineteenth century brings us face to face, at the beginning of the twentieth, with very serious social problems. The old laws, and the old customs which had almost the binding force of law, were once quite sufficient to regulate the accumulation and distribution of wealth. Since the industrial changes which have so enormously increased the productive power of mankind, they are no longer sufficient.

The growth of cities has gone on beyond comparison faster than the growth of the country, and the upbuilding of the great industrial centres has meant a startling increase, not merely

in the aggregate of wealth, but in the number of very large individual, and especially of very large corporate, fortunes. The creation of these great corporate fortunes has not been due to the tariff nor to any other governmental action, but to natural causes in the business world, operating in other countries as they operate in our own.

The process has aroused much antagonism, a great part of which is wholly without warrant. It is not true that as the rich have grown richer the poor have grown poorer. On the contrary, never before has the average man, the wage-worker, the farmer, the small trader, been so well off as in this country and at the present time. There have been abuses connected with the accumulation of wealth; yet it remains true that a fortune accumulated in legitimate business can be accumulated by the person specially benefited only on condition of conferring immense incidental benefits upon others. Successful enterprise, of the type which benefits all mankind, can only exist if the conditions are such as to offer great prizes as the rewards of success.

The captains of industry who have driven the railway systems across this continent, who have built up our commerce, who have developed our manufactures, have on the whole done great good to our people. Without them the material development of which we are so justly proud could never have taken place. Moreover, we should recognize the immense importance to this material development of leaving as unhampered as is compatible with the public good the strong and forceful men upon whom the success of business operations inevitably rests. The slight-



est study of business conditions will satisfy any one capable of forming a judgment that the personal equation is the most important factor in a business operation; that the business ability of the man at the head of any business concern, big or little, is usually the factor which fixes the gulf between striking success and hopeless failure.

An additional reason for caution in dealing with corporations is to be found in the international commercial conditions of to-day. The same business conditions which have produced the great aggregations of corporate and individual wealth have made them very potent factors in international commercial competition. Business concerns which have the largest means at their disposal and are managed by the ablest men are naturally those which take the lead in the strife for commercial supremacy among the nations of the world. America has only just begun to assume that commanding position in the international business world which we believe will more and more be hers. It is of the utmost importance that this position be not jeopardized, especially at a time when the overflowing abundance of our own natural resources and the skill, business energy, and mechanical aptitude of our people make foreign markets essential. Under such conditions it would be most unwise to cramp or to fetter the youthful strength of our nation.

Moreover, it can not too often be pointed out that to strike with ignorant violence at the interests of one set of men almost inevitably endangers the interests of all. The fundamental rule in our national life — the rule which under-

lies all others — is that, on the whole, and in the long run, we shall go up or down together. There are exceptions; and in times of prosperity some will prosper far more, and in times of adversity some will suffer far more, than others; but speaking generally, a period of good times means that all share more or less in them, and in a period of hard times all feel the stress to a greater or less degree. It surely ought not to be necessary to enter into any proof of this statement; the memory of the lean years which began in 1893 is still vivid and we can contrast them with the conditions in this very year which is now closing. Disaster to great business enterprises can never have its effects limited to the men at the top. It spreads throughout, and while it is bad for everybody, it is worst for those furthest down. The capitalist may be shorn of his luxuries; but the wage-worker may be deprived of even bare necessities.

The mechanism of modern business is so delicate that extreme care must be taken not to interfere with it in a spirit of rashness or ignorance. Many of those who have made it their vocation to denounce the great industrial combinations which are popularly, although with technical inaccuracy, known as "trusts," appeal especially to hatred and fear. These are precisely the two emotions, particularly when combined with ignorance, which unfit men for the exercise of cool and steady judgment. In facing new industrial conditions, the whole history of the world shows that legislation will generally be both unwise and ineffective unless undertaken after calm inquiry and with sober self-restraint. Much of the legislation directed at

the trusts would have been exceedingly mischievous had it not also been entirely ineffective. In accordance with a well-known sociological law, the ignorant or reckless agitator has been the really effective friend of the evils which he has been nominally opposing. In dealing with business interests, for the government to undertake by crude and ill-considered legislation to do what may turn out to be bad, would be to incur the risk of such far-reaching national disaster that it would be preferable to undertake nothing at all. The men who demand the impossible or the undesirable serve as the allies of the forces with which they are nominally at war, for they hamper those who would endeavor to find out in rational fashion what the wrongs really are and to what extent and in what manner it is practicable to apply remedies.

All this is true; and yet it is also true that there are real and grave evils, one of the chief being over-capitalization because of its many baleful consequences; and a resolute and practical effort must be made to correct these evils.

There is widespread conviction in the minds of the American people that the great corporations known as trusts are in certain of their features and tendencies hurtful to the general welfare. This springs from no spirit of envy or uncharitableness, nor lack of pride in the great industrial achievements that have placed this country at the head of the nations struggling for commercial supremacy. It does not rest upon a lack of intelligent appreciation of the necessity of meeting changing and changed conditions of trade with new methods, nor upon ignorance of the fact that combination of capital

in the effort to accomplish great things is necessary when the world's progress demands that great things be done. It is based upon sincere conviction that combination and concentration should be, not prohibited, but supervised and within reasonable limits controlled; and in my judgment this conviction is right.

It is no limitation upon property rights or freedom of contract to require that when men receive from government the privilege of doing business under corporate form which frees them from individual responsibility and enables them to call into their enterprises the capital of the public, they shall do so upon absolutely truthful representations as to the value of the property in which the capital is to be invested. Corporations engaged in interstate commerce should be regulated if they are found to exercise a license working to the public injury. It should be as much the aim of those who seek for social betterment to rid the business world of crimes of cunning as to rid the entire body politic of crimes of violence. Great corporations exist only because they are created and safeguarded by our institutions; and it is therefore our right and duty to see that they work in harmony with these institutions.

The first essential in determining how to deal with the great industrial combinations is knowledge of the facts — publicity. In the interest of the public the government should have the right to inspect and examine the workings of the great corporations engaged in interstate business. Publicity is the only sure remedy which we can now invoke. What further remedies are needed in the way of governmental

regulation, or taxation, can only be determined after publicity has been obtained, by process of law, and in the course of administration. The first requisite is knowledge, full and complete — knowledge which may be made public to the world.

Artificial bodies such as corporations and joint stock or other associations, depending upon any statutory law for their existence or privileges, should be subject to proper governmental supervision, and full and accurate information as to their operations should be made public regularly at reasonable intervals.

The large corporations, commonly called trusts, though organized in one State, always do business in many States, often doing very little business in the State where they are incorporated. There is utter lack of uniformity in the State laws about them; and as no State has any exclusive interest in or power over their acts, it has in practice proved impossible to get adequate regulation through State action. Therefore, in the interest of the whole people, the Nation should, without interfering with the power of the States in the matter itself, also assume power of supervision and regulation over all corporations doing an interstate business. This is especially true where the corporation derives a portion of its wealth from the existence of some monopolistic element or tendency in its business. There would be no hardship in such supervision; banks are subject to it, and in their case it is now accepted as a simple matter of course. Indeed, it is probable that supervision of corporations by the National Government need not go so far as is now the case with the

supervision exercised over them by so conservative a State as Massachusetts, in order to produce excellent results.

When the Constitution was adopted, at the end of the eighteenth century, no human wisdom could foretell the sweeping changes, alike in industrial and political conditions, which were to take place by the beginning of the twentieth century. At that time it was accepted as a matter of course that the several States were the proper authorities to regulate, so far as was then necessary, the comparatively insignificant and strictly localized corporate bodies of the day. The conditions are now wholly different and wholly different action is called for. I believe that a law can be framed which will enable the National Government to exercise control along the lines above indicated, profiting by the experience gained through the passage and administration of the Interstate Commerce Act. If, however, the judgment of the Congress is that it lacks the constitutional power to pass such an act, then a constitutional amendment should be submitted to confer the power.

## DESIRABILITY OF A SECRETARY OF COMMERCE AND LABOR

FROM THE PRESIDENT'S MESSAGE AT THE OPENING  
OF THE FIRST SESSION OF THE FIFTY-SEVENTH  
CONGRESS, DECEMBER 3, 1901

THERE should be created a Cabinet officer, to be known as Secretary of Commerce and Industries, as provided in the bill introduced at the last session of the Congress. It should be his



province to deal with commerce in its broadest sense; including among many other things whatever concerns labor and all matters affecting the great business corporations and our merchant marine.

The course proposed is one phase of what should be a comprehensive and far-reaching scheme of constructive statesmanship for the purpose of broadening our markets, securing our business interests on a safe basis, and making firm our new position in the international industrial world, while scrupulously safeguarding the rights of wage-worker and capitalist, of investor and private citizen, so as to secure equity as between man and man in this Republic.

With the sole exception of the farming interest, no one matter is of such vital moment to our whole people as the welfare of the wage-workers. If the farmer and the wage-worker are well off, it is absolutely certain that all others will be well off too. It is therefore a matter for hearty congratulation that on the whole wages are higher to-day in the United States than ever before in our history, and far higher than in any other country. The standard of living is also higher than ever before. Every effort of legislator and administrator should be bent to secure the permanency of this condition of things and its improvement wherever possible. Not only must our labor be protected by the tariff, but it should also be protected so far as it is possible from the presence in this country of any laborers brought over by contract, or of those who, coming freely, yet represent a standard of living so depressed that they can undersell our men in the labor market and drag

them to a lower level. I regard it as necessary, with this end in view, to re-enact immediately the law excluding Chinese laborers and to strengthen it wherever necessary in order to make its enforcement entirely effective.

The National Government should demand the highest quality of service from its employees; and in return it should be a good employer. If possible legislation should be passed, in connection with the Interstate Commerce Law, which will render effective the efforts of different States to do away with the competition of convict contract labor in the open labor market. So far as practicable under the conditions of government work, provision should be made to render the enforcement of the eight-hour law easy and certain. In all industries carried on directly or indirectly for the United States Government women and children should be protected from excessive hours of labor, from night work, and from work under unsanitary conditions. The government should provide in its contracts that all work should be done under "fair" conditions, and in addition to setting a high standard should uphold it by proper inspection, extending if necessary to the subcontractors. The Government should forbid all night work for women and children, as well as excessive overtime. For the District of Columbia a good factory law should be passed; and, as a powerful indirect aid to such laws, provision should be made to turn the inhabited alleys, the existence of which is a reproach to our Capital City, into minor streets, where the inhabitants can live under conditions favorable to health and morals.

American wage-workers work with their

heads as well as their hands. Moreover, they take a keen pride in what they are doing; so that, independent of the reward, they wish to turn out a perfect job. This is the great secret of our success in competition with the labor of foreign countries.

The most vital problem with which this country, and for that matter the whole civilized world, has to deal, is the problem which has for one side the betterment of social conditions, moral and physical, in large cities, and for another side the effort to deal with that tangle of far-reaching questions which we group together when we speak of "labor." The chief factor in the success of each man — wage-worker, farmer, and capitalist alike — must ever be the sum total of his own individual qualities and abilities. Second only to this comes the power of acting in combination or association with others. Very great good has been and will be accomplished by associations or unions of wage-workers, when managed with forethought, and when they combine insistence upon their own rights with law-abiding respect for the rights of others. The display of these qualities in such bodies is a duty to the nation no less than to the associations themselves. Finally, there must also in many cases be action by the government in order to safeguard the rights and interests of all. Under our Constitution there is much more scope for such action by the State and the municipality than by the nation. But on points such as those touched on above the National Government can act.

When all is said and done, the rule of brotherhood remains as the indispensable prerequisite

to success in the kind of national life for which we strive. Each man must work for himself, and unless he so works no outside help can avail him; but each man must remember also that he is indeed his brother's keeper, and that while no man who refuses to walk can be carried with advantage to himself or any one else, yet that each at times stumbles or halts, that each at times needs to have the helping hand outstretched to him. To be permanently effective, aid must always take the form of helping a man to help himself and we can all best help ourselves by joining together in the work that is of common interest to all.

## TARIFF AND RECIPROCITY

FROM THE PRESIDENT'S MESSAGE AT THE OPENING OF THE FIRST SESSION OF THE FIFTY-SEVENTH CONGRESS, DECEMBER 3, 1901

THERE is general acquiescence in our present tariff system as a national policy. The first requisite to our prosperity is the continuity and stability of this economic policy. Nothing could be more unwise than to disturb the business interests of the country by any general tariff change at this time. Doubt, apprehension, uncertainty are exactly what we most wish to avoid in the interest of our commercial and material well-being. Our experience in the past has shown that sweeping revisions of the tariff are apt to produce conditions closely approaching panic in the business world. Yet it is not only possible, but eminently desirable, to combine with the stability of our economic system

a supplementary system of reciprocal benefit and obligation with other nations. Such reciprocity is an incident and result of the firm establishment and preservation of our present economic policy. It was specially provided for in the present tariff law.

Reciprocity must be treated as the handmaiden of protection. Our first duty is to see that the protection granted by the tariff in every case where it is needed is maintained, and that reciprocity be sought for so far as it can safely be done without injury to our home industries. Just how far this is must be determined according to the individual case, remembering always that every application of our tariff policy to meet our shifting national needs must be conditioned upon the cardinal fact that the duties must never be reduced below the point that will cover the difference between the labor cost here and abroad. The well-being of the wage-worker is a prime consideration of our entire policy of economic legislation.

Subject to this proviso of the proper protection necessary to our industrial well-being at home, the principle of reciprocity must command our hearty support. The phenomenal growth of our export trade emphasizes the urgency of the need for wider markets and for a liberal policy in dealing with foreign nations. Whatever is merely petty and vexatious in the way of trade restrictions should be avoided. The customers to whom we dispose of our surplus products in the long run, directly or indirectly, purchase those surplus products by giving us something in return. Their ability to purchase our products should as far as possible

be secured by so arranging our tariff as to enable us to take from them those products which we can use without harm to our own industries and labor, or the use of which will be of marked benefit to us.

It is most important that we should maintain the high level of our present prosperity. We have now reached the point in the development of our interests where we are not only able to supply our own markets but to produce a constantly growing surplus for which we must find markets abroad. To secure these markets we can utilize existing duties in any case where they are no longer needed for the purpose of protection, or in any case where the article is not produced here and the duty is no longer necessary for revenue, as giving us something to offer in exchange for what we ask. The cordial relations with other nations which are so desirable will naturally be promoted by the course thus required by our own interests.

The natural line of development for a policy of reciprocity will be in connection with those of our productions which no longer require all of the support once needed to establish them upon a sound basis, and with those others where either because of natural or of economic causes we are beyond the reach of successful competition.

I ask the attention of the Senate to the reciprocity treaties laid before it by my predecessor.



## HIGHEST LEVEL OF PROSPERITY EVER ATTAINED

FROM THE PRESIDENT'S MESSAGE AT THE OPEN-  
ING OF THE SECOND SESSION OF THE FIFTY-  
SEVENTH CONGRESS, DECEMBER 2, 1902

We still continue in a period of unbounded prosperity. This prosperity is not the creature of law, but undoubtedly the laws under which we work have been instrumental in creating the conditions which made it possible, and by unwise legislation it would be easy enough to destroy it. There will undoubtedly be periods of depression. The wave will recede; but the tide will advance. This nation is seated on a continent flanked by two great oceans. It is composed of men the descendants of pioneers, or, in a sense, pioneers themselves; of men winnowed out from among the nations of the Old World by the energy, boldness, and love of adventure found in their own eager hearts. Such a nation, so placed, will surely wrest success from fortune.

As a people we have played a large part in the world, and we are bent upon making our future even larger than the past. In particular, the events of the last four years have definitely decided that, for woe or for weal, our place must be great among the nations. We may either fail greatly or succeed greatly; but we can not avoid the endeavor from which either great failure or great success must come. Even if we would, we can not play a small part. If we should try, all that would follow would be that

we should play a large part ignobly and shamefully.

But our people, the sons of the men of the Civil War, the sons of the men who had iron in their blood, rejoice in the present and face the future high of heart and resolute of will. Ours is not the creed of the weakling and the coward; ours is the gospel of hope and of triumphant endeavor. We do not shrink from the struggle before us. There are many problems for us to face at the outset of the twentieth century—grave problems abroad and still graver at home; but we know that we can solve them and solve them well, provided only that we bring to the solution the qualities of head and heart which were shown by the men who, in the days of Washington, founded this government, and, in the days of Lincoln, preserved it.

No country has ever occupied a higher plane of material well-being than ours at the present moment. This well-being is due to no sudden or accidental causes, but to the play of the economic forces in this country for over a century; to our laws, our sustained and continuous policies; above all, to the high individual average of our citizenship. Great fortunes have been won by those who have taken the lead in this phenomenal industrial development, and most of these fortunes have been won, not by doing evil, but as an incident to action which has benefited the community as a whole. Never before has material well-being been so widely diffused among our people. Great fortunes have been accumulated, and yet in the aggregate these fortunes are small indeed when compared to the wealth of the people as a whole. The plain

people are better off than they have ever been before. The insurance companies, which are practically mutual benefit societies — especially helpful to men of moderate means — represent accumulations of capital which are among the largest in this country. There are more deposits in the savings banks, more owners of farms, more well-paid wage-workers in this country now than ever before in our history. Of course, when the conditions have favored the growth of so much that was good, they have also favored somewhat the growth of what was evil. It is eminently necessary that we should endeavor to cut out this evil, but let us keep a due sense of proportion; let us not in fixing our gaze upon the lesser evil forget the greater good. The evils are real and some of them are menacing, but they are the outgrowth, not of misery or decadence, but of prosperity — of the progress of our gigantic industrial development. This industrial development must not be checked, but side by side with it should go such progressive regulation as will diminish the evils. We should fail in our duty if we did not try to remedy the evils, but we shall succeed only if we proceed patiently, with practical common-sense as well as resolution, separating the good from the bad and holding on to the former while endeavoring to get rid of the latter.

## REGULATION OF INTERSTATE COMMERCE

FROM THE PRESIDENT'S MESSAGE AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-SEVENTH CONGRESS, DECEMBER 2, 1902

IN my Message to the present Congress at its first session I discussed at length the question of the regulation of those big corporations commonly doing an interstate business, often with some tendency to monopoly, which are popularly known as trusts. The experience of the past year has emphasized, in my opinion, the desirability of the steps I then proposed. A fundamental requisite of social efficiency is a high standard of individual energy and excellence; but this is in no wise inconsistent with power to act in combination for aims which can not so well be achieved by the individual acting alone. A fundamental base of civilization is the inviolability of property; but this is in no wise inconsistent with the right of society to regulate the exercise of the artificial powers which it confers upon the owners of property, under the name of corporate franchises, in such a way as to prevent the misuse of these powers. Corporations, and especially combinations of corporations, should be managed under public regulation. Experience has shown that under our system of government the necessary supervision can not be obtained by State action. It must therefore be achieved by national action. Our aim is not to do away with corporations; on the contrary, these big aggregations are an inevita-

ble development of modern industrialism, and the effort to destroy them would be futile unless accomplished in ways that would work the utmost mischief to the entire body politic. We can do nothing of good in the way of regulating and supervising these corporations until we fix clearly in our minds that we are not attacking the corporations, but endeavoring to do away with any evil in them. We are not hostile to them; we are merely determined that they shall be so handled as to subserve the public good. We draw the line against misconduct, not against wealth. The capitalist who, alone or in conjunction with his fellows, performs some great industrial feat by which he wins money is a well-doer, not a wrongdoer, provided only he works in proper and legitimate lines. We wish to favor such a man when he does well. We wish to supervise and control his actions only to prevent him from doing ill. Publicity can do no harm to the honest corporation; and we need not be overtender about sparing the dishonest corporation.

In curbing and regulating the combinations of capital which are or may become injurious to the public we must be careful not to stop the great enterprises which have legitimately reduced the cost of production, not to abandon the place which our country has won in the leadership of the international industrial world, not to strike down wealth with the result of closing factories and mines, of turning the wage-worker idle in the streets and leaving the farmer without a market for what he grows. Insistence upon the impossible means delay in achieving the possible, exactly as, on the other hand, the

stubborn defence alike of what is good and what is bad in the existing system, the resolute effort to obstruct any attempt at betterment, betrays blindness to the historic truth that wise evolution is the sure safeguard against revolution.

No more important subject can come before the Congress than this of the regulation of interstate business. This country can not afford to sit supine on the plea that under our peculiar system of government we are helpless in the presence of the new conditions, and unable to grapple with them or to cut out whatever of evil has arisen in connection with them. The power of the Congress to regulate interstate commerce is an absolute and unqualified grant, and without limitations other than those prescribed by the Constitution. The Congress has constituted authority to make all laws necessary and proper for executing this power, and I am satisfied that this power has not been exhausted by any legislation now on the statute books. It is evident, therefore, that evils restrictive of commercial freedom and entailing restraint upon national commerce fall within the regulative power of the Congress, and that a wise and reasonable law would be a necessary and proper exercise of Congressional authority to the end that such evils should be eradicated.

I believe that monopolies, unjust discriminations, which prevent or cripple competition, fraudulent overcapitalization, and other evils in trust organizations and practices which injuriously affect interstate trade can be prevented under the power of the Congress to "regulate commerce with foreign nations and among the several States" through regulations and re-



quirements operating directly upon such commerce, the instrumentalities thereof, and those engaged therein.

I earnestly recommend this subject to the consideration of the Congress with a view to the passage of a law reasonable in its provisions and effective in its operations, upon which the questions can be finally adjudicated that now raise doubts as to the necessity of constitutional amendment. If it prove impossible to accomplish the purposes above set forth by such a law, then, assuredly, we should not shrink from amending the Constitution so as to secure beyond peradventure the power sought.

The Congress has not heretofore made any appropriation for the better enforcement of the anti-trust law as it now stands. Very much has been done by the Department of Justice in securing the enforcement of this law, but much more could be done if the Congress would make a special appropriation for this purpose, to be expended under the direction of the Attorney-General.

One proposition advocated has been the reduction of the tariff as a means of reaching the evils of the trusts which fall within the category I have described. Not merely would this be wholly ineffective, but the diversion of our efforts in such a direction would mean the abandonment of all intelligent attempt to do away with these evils. Many of the largest corporations, many of those which should certainly be included in any proper scheme of regulation, would not be affected in the slightest degree by a change in the tariff, save as such change interfered with the general prosperity of the coun-

try. The only relation of the tariff to big corporations as a whole is that the tariff makes manufactures profitable, and the tariff remedy proposed would be in effect simply to make manufactures unprofitable. To remove the tariff as a punitive measure directed against trusts would inevitably result in ruin to the weaker competitors who are struggling against them. Our aim should be not by unwise tariff changes to give foreign products the advantage over domestic products, but by proper regulation to give domestic competition a fair chance; and this end can not be reached by any tariff changes which would affect unfavorably all domestic competitors, good and bad alike. The question of regulation of the trusts stands apart from the question of tariff revision.

Stability of economic policy must always be the prime economic need of this country. This stability should not be fossilization. The country has acquiesced in the wisdom of the protective-tariff principle. It is exceedingly undesirable that this system should be destroyed or that there should be violent and radical changes therein. Our past experience shows that great prosperity in this country has always come under a protective tariff and that the country can not prosper under fitful tariff changes at short intervals. Moreover, if the tariff laws as a whole work well, and if business has prospered under them and is prospering, it is better to endure for a time slight inconveniences and inequalities in some schedules than to upset business by too quick and too radical changes. It is most earnestly to be wished that we could treat the tariff from the standpoint solely of our

business needs. It is, perhaps, too much to hope that partisanship may be entirely excluded from consideration of the subject, but at least it can be made secondary to the business interests of the country — that is, to the interests of our people as a whole. Unquestionably these business interests will best be served if together with fixity of principle as regards the tariff we combine a system which will permit us from time to time to make the necessary reapplication of the principle to the shifting national needs. We must take scrupulous care that the reapplication shall be made in such a way that it will not amount to a dislocation of our system, the mere threat of which (not to speak of the performance) would produce paralysis in the business energies of the community. The first consideration in making these changes would, of course, be to preserve the principle which underlies our whole tariff system — that is, the principle of putting American business interests at least on a full equality with interests abroad, and of always allowing a sufficient rate of duty to more than cover the difference between the labor cost here and abroad. The well-being of the wage-worker, like the well-being of the tiller of the soil, should be treated as an essential in shaping our whole economic policy. There must never be any change which will jeopardize the standard of comfort, the standard of wages of the American wage-worker.

One way in which the readjustment sought can be reached is by reciprocity treaties. It is greatly to be desired that such treaties may be adopted. They can be used to widen our mar-

kets and to give a greater field for the activities of our producers on the one hand, and on the other hand to secure in practical shape the lowering of duties when they are no longer needed for protection among our own people, or when the minimum of damage done may be disregarded for the sake of the maximum of good accomplished. If it prove impossible to ratify the pending treaties, and if there seem to be no warrant for the endeavor to execute others, or to amend the pending treaties so that they can be ratified, then the same end—to secure reciprocity—should be met by direct legislation.

Wherever the tariff conditions are such that a needed change can not with advantage be made by the application of the reciprocity idea, then it can be made outright by a lowering of duties on a given product. If possible, such change should be made only after the fullest consideration by practical experts, who should approach the subject from a business standpoint, having in view both the particular interests affected and the commercial well-being of the people as a whole. The machinery for providing such careful investigation can readily be supplied. The executive department has already at its disposal methods of collecting facts and figures; and if the Congress desires additional consideration to that which will be given the subject by its own committees, then a commission of business experts can be appointed whose duty it should be to recommend action by the Congress after a deliberate and scientific examination of the various schedules as they are affected by the changed and changing conditions. The unhurried and unbiased report of

this commission would show what changes should be made in the various schedules, and how far these changes could go without also changing the great prosperity which this country is now enjoying, or upsetting its fixed economic policy.

The cases in which the tariff can produce a monopoly are so few as to constitute an inconsiderable factor in the question; but of course if in any case it be found that a given rate of duty does promote a monopoly which works ill, no protectionist would object to such reduction of the duty as would equalize competition.

In my judgment, the tariff on anthracite coal should be removed, and anthracite put actually, where it now is nominally, on the free list. This would have no effect at all save in crises; but in crises it might be of service to the people.

## THE NEED OF AN ELASTIC CURRENCY

FROM THE PRESIDENT'S MESSAGE AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-SEVENTH CONGRESS, DECEMBER 2, 1902

INTEREST rates are a potent factor in business activity, and in order that these rates may be equalized to meet the varying needs of the seasons and of widely separated communities, and to prevent the recurrence of financial stringencies which injuriously affect legitimate business, it is necessary that there should be an element of elasticity in our monetary system. Banks are the natural servants of commerce, and upon them should be placed, as far as practicable, the burden of furnishing and maintaining a cir-

circulation adequate to supply the needs of our diversified industries and of our domestic and foreign commerce; and the issue of this should be so regulated that a sufficient supply should be always available for the business interests of the country.

It would be both unwise and unnecessary at this time to attempt to reconstruct our financial system, which has been the growth of a century; but some additional legislation is, I think, desirable. The mere outline of any plan sufficiently comprehensive to meet these requirements would transgress the appropriate limits of this communication. It is suggested, however, that all future legislation on the subject should be with the view of encouraging the use of such instrumentalities as will automatically supply every legitimate demand of productive industries and of commerce, not only in the amount, but in the character of circulation; and of making all kinds of money interchangeable, and, at the will of the holder, convertible into the established gold standard.

## RELATIONS OF ORGANIZED CAPITAL AND ORGANIZED LABOR

FROM THE PRESIDENT'S MESSAGE AT THE OPEN-  
ING OF THE SECOND SESSION OF THE FIFTY-  
SEVENTH CONGRESS, DECEMBER 2, 1902

How to secure fair treatment alike for labor and for capital, how to hold in check the unscrupulous man, whether employer or employee, without weakening individual initiative, without



hampering and cramping the industrial development of the country, is a problem fraught with great difficulties and one which it is of the highest importance to solve on lines of sanity and far-sighted common-sense as well as of devotion to the right. This is an era of federation and combination. Exactly as business men find they must often work through corporations, and as it is a constant tendency of these corporations to grow larger, so it is often necessary for laboring men to work in federations, and these have become important factors of modern industrial life. Both kinds of federation, capitalistic and labor, can do much good, and as a necessary corollary they can both do evil. Opposition to each kind of organization should take the form of opposition to whatever is bad in the conduct of any given corporation or union — not of attacks upon corporations as such nor upon unions as such; for some of the most far-reaching beneficent work for our people has been accomplished through both corporations and unions. Each must refrain from arbitrary or tyrannous interference with the rights of others. Organized capital and organized labor alike should remember that in the long run the interest of each must be brought into harmony with the interest of the general public; and the conduct of each must conform to the fundamental rules of obedience to the law, of individual freedom, and of justice and fair dealing toward all. Each should remember that in addition to power it must strive after the realization of healthy, lofty, and generous ideals. Every employer, every wage-worker, must be guaranteed his liberty and his right to do as he likes with his

property or his labor so long as he does not infringe upon the rights of others. It is of the highest importance that employer and employee alike should endeavor to appreciate each the viewpoint of the other and the sure disaster that will come upon both in the long run if either grows to take as habitual an attitude of sour hostility and distrust toward the other. Few people deserve better of the country than those representatives both of capital and labor — and there are many such — who work continually to bring about a good understanding of this kind, based upon wisdom and upon broad and kindly sympathy between employers and employed. Above all, we need to remember that any kind of class animosity in the political world is, if possible, even more wicked, even more destructive to national welfare, than sectional, race, or religious animosity. We can get good government only upon condition that we keep true to the principles upon which this Nation was founded, and judge each man not as a part of a class, but upon his individual merits. All that we have a right to ask of any man, rich or poor, whatever his creed, his occupation, his birthplace, or his residence, is that he shall act well and honorably by his neighbor and by his country. We are neither for the rich man as such nor for the poor man as such; we are for the upright man, rich or poor. So far as the constitutional powers of the National Government touch these matters of general and vital moment to the Nation, they should be exercised in conformity with the principles above set forth.

It is earnestly hoped that a secretary of commerce may be created, with a seat in the Cabinet. The rapid multiplication of questions affecting labor and capital, the growth and complexity of the organizations through which both labor and capital now find expression, the steady tendency toward the employment of capital in huge corporations, and the wonderful strides of this country toward leadership in the international business world justify an urgent demand for the creation of such a position. Substantially all the leading commercial bodies in this country have united in requesting its creation. It is desirable that some such measure as that which has already passed the Senate be enacted into law. The creation of such a department would in itself be an advance toward dealing with and exercising supervision over the whole subject of the great corporations doing an interstate business; and with this end in view, the Congress should endow the department with large powers, which could be increased as experience might show the need.

## THE NEW SECRETARYSHIP OF COMMERCE AND LABOR

FROM THE PRESIDENT'S MESSAGE AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-EIGHT CONGRESS, DECEMBER 7, 1903

WITH a nation as with a man the most important things are those of the household, and therefore the country is especially to be congratulated on what has been accomplished in

the direction of providing for the exercise of supervision over the great corporations and combinations of corporations engaged in interstate commerce. The Congress has created the Department of Commerce and Labor, including the Bureau of Corporations, with for the first time authority to secure proper publicity of such proceedings of these great corporations as the public has the right to know. It has provided for the expediting of suits for the enforcement of the Federal anti-trust law; and by another law it has secured equal treatment to all producers in the transportation of their goods, thus taking a long stride forward in making effective the work of the Interstate Commerce Commission.

The establishment of the Department of Commerce and Labor, with the Bureau of Corporations thereunder, marks a real advance in the direction of doing all that is possible for the solution of the questions vitally affecting capitalists and wage-workers. The act creating the Department was approved on February 14, 1903, and two days later the head of the Department was nominated and confirmed by the Senate. Since then the work of organization has been pushed as rapidly as the initial appropriations permitted, and with due regard to thoroughness and the broad purposes which the Department is designed to serve. After the transfer of the various bureaus and branches to the Department at the beginning of the current fiscal year, as provided for in the act, the personnel comprised 1,289 employees in Washington and 8,836 in the country at large. The scope of the Department's duty and authority

embraces the commercial and industrial interests of the Nation. It is not designed to restrict or control the fullest liberty of legitimate business action, but to secure exact and authentic information which will aid the Executive in enforcing existing laws, and which will enable the Congress to enact additional legislation if any should be found necessary, in order to prevent the few from obtaining privileges at the expense of diminished opportunities for the many.

The preliminary work of the Bureau of Corporations in the Department has shown the wisdom of its creation. Publicity in corporate affairs will tend to do away with ignorance, and will afford facts upon which intelligent action may be taken. Systematic, intelligent investigation is already developing facts the knowledge of which is essential to a right understanding of the needs and duties of the business world. The corporation which is honestly and fairly organized, whose managers in the conduct of its business recognize their obligation to deal squarely with their stockholders, their competitors, and the public, has nothing to fear from such supervision. The purpose of this Bureau is not to embarrass or assail legitimate business, but to aid in bringing about a better industrial condition — a condition under which there shall be obedience to law and recognition of public obligation by all corporations, great or small. The Department of Commerce and Labor will be not only the clearing house for information regarding the business transactions of the Nation but the executive arm of the Government to aid in strengthening our do-

mestic and foreign markets, in perfecting our transportation facilities, in building up our merchant marine, in preventing the entrance of undesirable immigrants, in improving commercial and industrial conditions, and in bringing together on common ground those necessary partners in industrial progress—capital and labor. Commerce between the nations is steadily growing in volume, and the tendency of the times is toward closer trade relations. Constant watchfulness is needed to secure to Americans the chance to participate to the best advantage in foreign trade; and we may confidently expect that the new Department will justify the expectation of its creators by the exercise of this watchfulness, as well as by the businesslike administration of such laws relating to our internal affairs as are intrusted to its care.

In enacting the laws above enumerated the Congress proceeded on sane and conservative lines. Nothing revolutionary was attempted; but a common-sense and successful effort was made in the direction of seeing that corporations are so handled as to subserve the public good. The legislation was moderate. It was characterized throughout by the idea that we were not attacking corporations, but endeavoring to provide for doing away with any evil in them; that we drew the line against misconduct, not against wealth; gladly recognizing the great good done by the capitalist who alone, or in conjunction with his fellows, does his work along proper and legitimate lines. The purpose of the legislation, which purpose will undoubtedly be fulfilled, was to favor such a man when he does well, and to supervise his action only



to prevent him from doing ill. Publicity can do no harm to the honest corporation. The only corporation that has cause to dread it is the corporation which shrinks from the light, and about the welfare of such corporations we need not be oversensitive. The work of the Department of Commerce and Labor has been conditioned upon this theory, of securing fair treatment alike for labor and for capital.

The consistent policy of the National Government, so far as it has the power, is to hold in check the unscrupulous man, whether employer or employee; but to refuse to weaken individual initiative or to hamper or cramp the industrial development of the country. We recognize that this is an era of federation and combination, in which great capitalistic corporations and labor unions have become factors of tremendous importance in all industrial centres. Hearty recognition is given the far-reaching, beneficent work which has been accomplished through both corporations and unions, and the line as between different corporations, as between different unions, is drawn as it is between different individuals; that is, it is drawn on conduct, the effort being to treat both organized capital and organized labor alike, asking nothing save that the interest of each shall be brought into harmony with the interest of the general public, and that the conduct of each shall conform to the fundamental rules of obedience to law, of individual freedom, and of justice and fair dealing towards all. Whenever either corporation, labor union, or individual disregards the law or acts in a spirit of arbitrary and

tyrannous interference with the rights of others, whether corporations or individuals, then where the Federal Government has jurisdiction, it will see to it that the misconduct is stopped, paying not the slightest heed to the position or power of the corporation, the union or the individual, but only to one vital fact — that is, the question whether or not the conduct of the individual or aggregate of individuals is in accordance with the law of the land. Every man must be guaranteed his liberty and his right to do as he likes with his property or his labor, so long as he does not infringe the rights of others. No man is above the law and no man is below it; nor do we ask any man's permission when we require him to obey it. Obedience to the law is demanded as a right; not asked as a favor.

We have cause as a Nation to be thankful for the steps that have been so successfully taken to put these principles into effect. The progress has been by evolution, not by revolution. Nothing radical has been done; the action has been both moderate and resolute. Therefore the work will stand. There shall be no backward step. If in the working of the laws it proves desirable that they shall at any point be expanded or amplified, the amendment can be made as its desirability is shown. Meanwhile they are being administered with judgment, but with insistence upon obedience to them; and their need has been emphasized in signal fashion by the events of the past year.

## SAFETY APPLIANCES ON RAILWAYS

FROM THE PRESIDENT'S MESSAGE AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-EIGHT CONGRESS, DECEMBER 7, 1903

IN my last annual Message the attention of the Congress was called to the necessity of enlarging the safety-appliance law, and it is gratifying to note that this law was amended in important respects. With the increasing railway mileage of the country, the greater number of men employed, and the use of larger and heavier equipment, the urgency for renewed effort to prevent the loss of life and limb upon the railroads of the country, particularly to employees, is apparent. For the inspection of water craft and the Life-Saving Service upon the water the Congress has built up an elaborate body of protective legislation and a thorough method of inspection and is annually spending large sums of money. It is encouraging to observe that the Congress is alive to the interests of those who are employed upon our wonderful arteries of commerce—the railroads—who so safely transport millions of passengers and billions of tons of freight. The Federal inspection of safety appliances, for which the Congress is now making appropriations, is a service analogous to that which the Government has upheld for generations in regard to vessels, and it is believed will prove of great practical benefit, both to railroad employees and the traveling public. As the greater part of commerce is

interstate and exclusively under the control of the Congress the needed safety and uniformity must be secured by national legislation.

## RECORD OF THE REPUBLICAN PARTY ON CURRENCY, TARIFF, AND TRUSTS

FROM AN ADDRESS DELIVERED AT OYSTER BAY,  
NEW YORK, JULY 27, 1904, IN RESPONSE TO  
THE NOTIFICATION OF THE NOMINATION FOR  
PRESIDENT OF THE UNITED STATES.

ASSUREDLY it is unwise to change the policies which have worked so well and which are now working so well. Prosperity has come at home. The national honor and interest have been upheld abroad. We have placed the finances of the Nation upon a sound gold basis. We have done this with the aid of many who were formerly our opponents, but who would neither openly support nor silently acquiesce in the heresy of unsound finance; and we have done it against the convinced and violent opposition of the mass of our present opponents who still refuse to recant the unsound opinions which for the moment they think it inexpedient to assert. We know what we mean when we speak of an honest and stable currency. We mean the same thing from year to year. We do not have to avoid definite and conclusive committal on the most important issue which has recently been before the people, and which may at any time in the near future be before them again. Upon the principles which underlie this issue the convictions of half of our number do not

clash with those of the other half. So long as the Republican party is in power the gold standard is settled, not as a matter of temporary political expediency, not because of shifting conditions in the production of gold in certain mining centres, but in accordance with what we regard as the fundamental principles of national morality and wisdom.

Under the financial legislation which we have enacted there is now ample circulation for every business need; and every dollar of this circulation is worth a dollar in gold. We have reduced the interest-bearing debt, and in still larger measure the interest on that debt. All of the war taxes imposed during the Spanish War have been removed with a view to relieve the people and to prevent the accumulation of an unnecessary surplus. The result is that hardly ever before have the expenditures and income of the Government so closely corresponded. In the fiscal year that has just closed the excess of income over the ordinary expenditures was nine millions of dollars. This does not take account of the fifty millions expended out of the accumulated surplus for the purchase of the Isthmian Canal. It is an extraordinary proof of the sound financial condition of the Nation that instead of following the usual course in such matters and throwing the burden upon posterity by an issue of bonds, we were able to make the payment outright and yet after it to have in the treasury a surplus of one hundred and sixty-one millions. Moreover, we were able to pay this fifty millions of dollars out of hand without causing the slightest disturbance to business conditions.

We have enacted a tariff law under which during the past few years the country has attained a height of material well-being never before reached. Wages are higher than ever before. That whenever the need arises there should be a readjustment of the tariff schedules is undoubted; but such changes can with safety be made only by those whose devotion to the principle of a protective tariff is beyond question; for otherwise the changes would amount not to readjustment, but to repeal. The readjustment when made must maintain and not destroy the protective principle. To the farmer, the merchant, the manufacturer, this is vital; but perhaps no other man is so much interested as the wage-worker in the maintenance of our present economic system, both as regards the finances and the tariff. The standard of living of our wage-workers is higher than that of any other country, and it can not so remain unless we have a protective tariff which shall always keep as a minimum a rate of duty sufficient to cover the difference between the labor cost here and abroad. Those who, like our opponents, "denounce protection as a robbery," thereby explicitly commit themselves to the proposition that if they were to revise the tariff no heed would be paid to the necessity of meeting this difference between the standards of living for wage-workers here and in other countries; and therefore on this point their antagonism to our position is fundamental. Here again we ask that their promises and ours be judged by what has been done in the immediate past. We ask that sober and sensible men compare the work-



ings of the present tariff law, and the conditions which obtain under it, with the workings of the preceding tariff law of 1894 and the conditions which that tariff of 1894 helped to bring about.

We believe in reciprocity with foreign nations on the terms outlined in President's McKinley's last speech, which urged the extension of our foreign markets by reciprocal agreements whenever they could be made without injury to American industry and labor. It is a singular fact that the only great reciprocity treaty recently adopted — that with Cuba — was finally opposed almost alone by the representatives of the very party which now states that it favors reciprocity. And here again we ask that the worth of our words be judged by comparing their deeds with ours. On this Cuban reciprocity treaty there were at the outset grave differences of opinion among ourselves; and the notable thing in the negotiation and ratification of the treaty, and in the legislation which carried it into effect, was the highly practical manner in which without sacrifice of principle these differences of opinion were reconciled. There was no rupture of a great party, but an excellent practical outcome, the result of the harmonious co-operation of two successive Presidents and two successive Congresses. This is an illustration of the governing capacity which entitles us to the confidence of the people not only in our purposes but in our practical ability to achieve those purposes. Judging by the history of the last twelve years, down to this very month, is there justification for believing

that under similar circumstances and with similar initial differences of opinion, our opponents would have achieved any practical result?

We have already shown in actual fact that our policy is to do fair and equal justice to all men, paying no heed to whether a man is rich or poor; paying no heed to his race, his creed, or his birthplace.

We recognize the organization of capital and the organization of labor as natural outcomes of our industrial system. Each kind of organization is to be favored so long as it acts in a spirit of justice and of regard for the rights of others. Each is to be granted the full protection of the law, and each in turn is to be held to a strict obedience to the law; for no man is above it and no man below it. The humblest individual is to have his rights safeguarded as scrupulously as those of the strongest organization, for each is to receive justice, no more and no less. The problems with which we have to deal in our modern industrial and social life are manifold; but the spirit in which it is necessary to approach their solution is simply the spirit of honesty, of courage, and of common-sense.

## DEFENSE OF THE REPUBLICAN PARTY'S RECORD ON INDUSTRIAL AFFAIRS

FROM LETTER OF ACCEPTANCE TO HON. J. G. CANNON, CHAIRMAN OF THE COMMITTEE NOTIFYING MR. ROOSEVELT OF HIS NOMINATION FOR PRESIDENT OF THE UNITED STATES, SEPTEMBER 12, 1904

IN addition to those acts of the Administration which they venture to assail only after misrepresenting them, there are others which they dare not overtly or officially attack, and yet which they covertly bring forward as reasons for the overthrow of the party. In certain great centres and with certain great interests our opponents make every effort to show that the settlement of the Anthracite Coal Strike by the individual act of the President, and the successful suit against the Northern Securities Company — the Merger suit — undertaken by the Department of Justice, were acts because of which the present Administration should be thrown from power. Yet they dare not openly condemn either act. They dare not in any authoritative or formal manner say that in either case wrong was done or error committed in the method of action, or in the choice of instruments for putting that action into effect. But what they dare not manfully assert in open day, they seek to use furtively and through special agents. It is perhaps natural that an attack so conducted should be made sometimes on the ground that too much, sometimes on the ground that too little, has been done. Some of our

opponents complain because under the anti-trust and interstate commerce laws suits were undertaken which have been successful; others, because suits were not undertaken which would have been unsuccessful.

The Democratic State Convention in New York dealt with the Anthracite Coal Strike by demanding in deliberate and formal fashion that the National Government should take possession of the coal fields; yet champions of that convention's cause now condemn the fact that there was any action by the President at all — though they must know that it was only this action by the President which prevented the movement for national ownership of the coal fields from gaining what might well have been an irresistible impetus. Such mutually destructive criticisms furnish an adequate measure of the chance for coherent action or constructive legislation if our opponents should be given power.

So much for what our opponents openly or covertly advance in the way of an attack on the acts of the Administration. When we come to consider the policies for which they profess to stand we are met with the difficulty always arising when statements of policy are so made that they can be interpreted in different ways. On some of the vital questions that have confronted the American people in the last decade, our opponents take the position that silence is the best possible way to convey their views. They contend that their lukewarm attitude of partial acquiescence in what others have accomplished entitles them to be made the custodians

of the financial honor and commercial interests which they have but recently sought to ruin. Being unable to agree among themselves as to whether the gold standard is a curse or a blessing, and as to whether we ought or ought not to have free and unlimited coinage of silver, they have apparently thought it expedient to avoid any committal on these subjects, and individually each to follow his particular bent. Their nearest approach to a majority judgment seems to be that it is now inexpedient to assert their convictions one way or the other, and that the establishment of the gold standard by the Republican party should not be disturbed unless there is an alteration in the relative quantity of production of silver and gold. Men who hold sincere convictions on vital questions can respect equally sincere men with whose views they radically differ; and men may confess a change of faith without compromising their honor or their self-respect. But it is difficult to respect an attitude of mind such as has been fairly described above; and where there is no respect there can be no trust. A policy with so slender a basis of principle would not stand the strain of a single year of business adversity.

We, on the contrary, believe in the gold standard as fixed by the usage and verdict of the business world, and in a sound monetary system, as matters of principle; as matters not of momentary political expediency, but of permanent organic policy. In 1896 and again in 1900 farsighted men, without regard to their party fealty in the past, joined to work against what they regarded as a debased monetary system. The poli-

cies which they championed have been steadfastly adhered to by the Administration; and by the act of March 14, 1900, Congress established the single gold standard as the measure of our monetary value. This act received the support of every Republican in the House, and of every Republican except one in the Senate. Of our opponents, eleven supported it in the House and two in the Senate; and one hundred and fifty opposed it in the House and twenty-eight in the Senate. The record of the last seven years proves that the party now in power can be trusted to take the additional action necessary to improve and strengthen our monetary system, and that our opponents can not be so trusted. The fundamental fact is that in a popular government such as ours no policy is irrevocably settled by law unless the people keep in control of the Government men who believe in that policy as a matter of deep-rooted conviction. Laws can always be revoked; it is the spirit and the purpose of those responsible for their enactment and administration which must be fixed and unchangeable. It is idle to say that the monetary standard of the Nation is irrevocably fixed so long as the party which at the last election cast approximately forty-six per cent of the total vote refuses to put in its platform any statement that the question is settled. A determination to remain silent can not be accepted as equivalent to a recantation. Until our opponents as a party explicitly adopt the views which we hold and upon which we have acted and are acting, in the matter of sound currency, the only real way to keep the question from becoming unsettled is to keep the Republican party in power.



As for what our opponents say in reference to capital and labor, individual or corporate, here again all we need by way of answer is to point to what we have actually done, and to say that if continued in power we shall continue to carry out the policy we have been pursuing, and to execute the laws as resolutely and fearlessly in the future as we have executed them in the past. In my speech of acceptance I said:

"We recognize the organization of capital and the organization of labor as natural outcomes of our industrial system. Each kind of organization is to be favored so long as it acts in a spirit of justice and of regard for the rights of others. Each is to be granted the full protection of the law, and each in turn is to be held to a strict obedience to the law; for no man is above it and no man below it. The humblest individual is to have his rights safeguarded as scrupulously as those of the strongest organization, for each is to receive justice, no more and no less. The problems with which we have to deal in our modern industrial and social life are manifold; but the spirit in which it is necessary to approach their solution is simply the spirit of honesty, of courage, and of common-sense."

The action of the Attorney-General in enforcing the anti-trust and interstate commerce laws, and the action of the last Congress in enlarging the scope of the interstate commerce law, and in creating the Department of Commerce and Labor, with a Bureau of Corporations, have for the first time opened a chance for the National Government to deal intelligently and adequately with the questions affecting society, whether for good

or for evil, because of the accumulation of capital in great corporations, and because of the new relations caused thereby. These laws are now being administered with entire efficiency; and as, in their working, need is shown for amendment or addition to them — whether better to secure the proper publicity, or better to guarantee the rights of shippers, or in any other direction — this need will be met. It is now asserted “that the common law, as developed, affords a complete legal remedy against monopolies.” But there is no common law of the United States. Its rules can be enforced only by the State courts and officers. No Federal court or officer could take any action whatever under them. It was this fact, coupled with the inability of the States to control trusts and monopolies, which led to the passage of the Federal statutes known as the Sherman Anti-Trust Act and the Interstate Commerce Act; and it is only through the exercise of the powers conferred by these acts, and by the statutes of the last Congress supplementing them, that the National Government acquires any jurisdiction over the subject. To say that action against trusts and monopolies should be limited to the application of the common law is equivalent to saying that the National Government should take no action whatever to regulate them.

Undoubtedly, the multiplication of trusts and their increase in power has been largely due to the “failure of officials charged with the duty of enforcing the law to take the necessary procedure.” Such stricture upon the failure of the officials of the National Government to do their duty in this matter is certainly not wholly undeserved as far as the Administration preceding

President McKinley's is concerned; but it has no application at all to Republican administration. It is also undoubtedly true that what is most needed is "officials having both the disposition and the courage to enforce existing law." This is precisely the need that has been met by the consistent and steadily continued action of the Department of Justice under the present Administration.

So far as the rights of the individual wage-worker and the individual capitalist are concerned, both as regards one another, as regards the public, and as regards organized capital and labor, the position of the Administration has been so clear that there is no excuse for misrepresenting it, and no ground for opposing it unless misrepresented. Within the limits defined by the National Constitution the National Administration has sought to secure to each man the full enjoyment of his right to live his life and dispose of his property and his labor as he deems best, so long as he wrongs no one else. It has shown in effective fashion that in endeavoring to make good this guarantee, it treats all men, rich or poor, whatever their creed, their color, or their birthplace, as standing alike before the law. Under our form of government the sphere in which the Nation as distinguished from the State can act is narrowly circumscribed; but within that sphere all that could be done has been done. All thinking men are aware of the restrictions upon the power of action of the National Government in such matters. Being ourselves mindful of them, we have been scrupulously careful on the one hand to be moderate in our promises.

and on the other hand to keep these promises in letter and in spirit. Our opponents have been hampered by no such considerations. They have promised, and many of them now promise, action which they could by no possibility take in the exercise of constitutional power, and which, if attempted, would bring business to a standstill; they have used, and often now use, language of wild invective and appeal to all the baser passions which tend to excite one set of Americans against their fellow-Americans; and yet whenever they have had power they have fittingly supplemented this extravagance of promise by absolute nullity in performance.

When we take up the great question of the tariff we are at once confronted by the doubt as to whether our opponents do or do not mean what they say. They say that "protection is robbery," and promise to carry themselves accordingly if they are given power. Yet prominent persons among them assert that they do not really mean this and that if they come into power they will adopt our policy as regards the tariff; while others seem anxious to prove that it is safe to give them partial power, because the power would be only partial, and therefore they would not be able to do mischief. The last is certainly a curious plea to advance on behalf of a party seeking to obtain control of the Government.

At the outset it is worth while to say a word as to the attempt to identify the question of tariff revision or tariff reduction with a solution of the trust question. This is always a sign of desire to avoid any real effort to deal ade-

quately with the trust question. In speaking on this point at Minneapolis, on April 4, 1903, I said:

"The question of tariff revision, speaking broadly, stands wholly apart from the question of dealing with the trusts. No change in tariff duties can have any substantial effect in solving the so-called trust problem. Certain great trusts or great corporations are wholly unaffected by the tariff. Almost all the others that are of any importance have as a matter of fact numbers of smaller American competitors; and of course a change in the tariff which would work injury to the large corporation would work not merely injury but destruction to its smaller competitors; and equally of course such a change would mean disaster to all the wage-workers connected with either the large or the small corporations. From the standpoint of those interested in the solution of the trust problem such a change would therefore merely mean that the trust was relieved of the competition of its weaker American competitors, and thrown only into competition with foreign competitors; and that the first effort to meet this new competition would be made by cutting down wages, and would therefore be primarily at the cost of labor. In the case of some of our greatest trusts such a change might confer upon them a positive benefit. Speaking broadly, it is evident that the changes in the tariff will affect the trusts for weal or for woe simply as they affect the whole country. The tariff affects trusts only as it affects all other interests. It makes all

these interests, large or small, profitable; and its benefits can be taken from the large only under penalty of taking them from the small also."

There is little for me to add to this. It is but ten years since the last attempt was made, by means of lowering the tariff, to prevent some people from prospering too much. The attempt was entirely successful. The tariff law of that year was among the causes which in that year and for some time afterward effectually prevented anybody from prospering too much, and labor from prospering at all. Undoubtedly it would be possible at the present time to prevent any of the trusts from remaining prosperous by the simple expedient of making such a sweeping change in the tariff as to paralyze the industries of the country. The trusts would cease to prosper; but their smaller competitors would be ruined, and the wage-workers would starve, while it would not pay the farmer to haul his produce to market. The evils connected with the trusts can be reached only by rational effort, step by step, along the lines taken by Congress and the Executive during the past three years. If a tariff law is passed under which the country prospers, as the country has prospered under the present tariff law, then all classes will share in the prosperity. If a tariff law is passed aimed at preventing the prosperity of some of our people, it is as certain as anything can be that this aim will be achieved only by cutting down the prosperity of all of our people.

Of course, if our opponents are not sincere in their proposal to abolish the system of a protective tariff, there is no use in arguing the mat-



ter at all, save by pointing out again that if on one great issue they do not mean what they say, it is hardly safe to trust them on any other issue. But if they are sincere in this matter, then their advent to power would mean domestic misfortune and misery as widespread and far-reaching as that which we saw ten years ago. When they speak of protection as "robbery," they of course must mean that it is immoral to enact a tariff designed (as is the present protective tariff) to secure to the American wage-worker the benefit of the high standard of living which we desire to see kept up in this country. Now to speak of the tariff in this sense as "robbery," thereby giving it a moral relation, is not merely rhetorical; it is on its face false. The question of what tariff is best for our people is primarily one of expediency, to be determined not on abstract academic grounds, but in the light of experience. It is a matter of business; for fundamentally ours is a business people — manufacturers, merchants, farmers, wage-workers, professional men, all alike. Our experience as a people in the past has certainly not shown us that we could afford in this matter to follow those professional counselors who have confined themselves to study in the closet; for the actual working of the tariff has emphatically contradicted their theories. From time to time schedules must undoubtedly be rearranged and readjusted to meet the shifting needs of the country; but this can with safety be done only by those who are committed to the cause of the protective system. To uproot and destroy that system would be to ensure the prostration of business, the closing of factories, the impoverishment of the

farmer, the ruin of the capitalist, and the starvation of the wage-worker. Yet, if protection is indeed "robbery," and if our opponents really believe what they say, then it is precisely to the destruction and uprooting of the tariff, and therefore of our business and industry, that they are pledged. When our opponents last obtained power it was on a platform declaring a protective tariff "unconstitutional"; and the effort to put this declaration into practice was one of the causes of the general national prostration lasting from 1893 to 1897. If a protective tariff is either "unconstitutional" or "robbery," then it is just as unconstitutional, just as much robbery, to revise it down, still leaving it protective, as it would be to enact it. In other words, our opponents have committed themselves to the destruction of the protective principle in the tariff, using words which if honestly used forbid them from permitting this principle to obtain in even the smallest degree.

Our opponents assert that they believe in reciprocity. Their action on the most important reciprocity treaty recently negotiated — that with Cuba — does not bear out this assertion. Moreover, there can be no reciprocity unless there is a substantial tariff; free trade and reciprocity are not compatible. We are on record as favoring arrangements for reciprocal trade relations with other countries, these arrangements to be on an equitable basis of benefit to both the contracting parties. The Republican party stands pledged to every wise and consistent method of increasing the foreign commerce of the country. That it has kept its pledge is proven by the fact

that while the domestic trade of this country exceeds in volume the entire export and import trade of all the nations of the world, the United States has in addition secured more than an eighth of the export trade of the world, standing first among the nations in this respect. The United States has exported during the last seven years nearly ten billions of dollars' worth of goods — on an average half as much again annually as during the previous four years, when many of our people were consuming nothing but necessities, and some of them a scanty supply even of these.

Two years ago, in speaking at Logansport, Indiana, I said:

"The one consideration which must never be omitted in a tariff change is the imperative need of preserving the American standard of living for the American workingman. The tariff-rate must never fall below that which will protect the American workingman by allowing for the difference between the general labor-cost here and abroad, so as at least to equalize the conditions arising from the difference in the standard of labor here and abroad — a difference which it should be our aim to foster in so far as it represents the needs of better educated, better paid, better fed, and better clothed workingmen of a higher type than any to be found in a foreign country. At all hazards, and no matter what else is sought for or accomplished by changes of the tariff, the American workingman must be protected in his standard of wages, that is, in his standard of living, and must be secured the fullest opportunity of employment. Our laws should in no event afford advantage to foreign

industries over American industries. They should in no event do less than equalize the difference in conditions at home and abroad."

It is a matter of regret that the protective tariff policy, which, during the last forty-odd years, has become part of the very fibre of the country, is not now accepted as definitely established. Surely we have a right to say that it has passed beyond the domain of theory, and a right to expect that not only its original advocates but those who at one time distrusted it on theoretic grounds should now acquiesce in the results that have been proved over and over again by actual experience. These forty-odd years have been the most prosperous years this Nation has ever seen; more prosperous years than any other nation has ever seen. Beyond question this prosperity could not have come if the American people had not possessed the necessary thrift, energy, and business intelligence to turn their vast material resources to account. But it is no less true that it is our economic policy as regards the tariff and finance which has enabled us as a nation to make such good use of the individual capacities of our citizens, and the natural resources of our country. Every class of our people is benefited by the protective tariff. During the last few years the merchant has seen the export trade of this country grow faster than ever in our previous history. The manufacturer could not keep his factory running if it were not for the protective tariff. The wage-worker would do well to remember that if protection is "robbery," and is to be punished accordingly, he will be the first to pay the penalty; for either

he will be turned adrift entirely, or his wages will be cut down to the starvation point. As conclusively shown by the bulletins of the Bureau of Labor, the purchasing power of the average wage received by the wage-worker has grown faster than the cost of living, and this in spite of the continual shortening of working hours. The accumulated savings of the workingmen of the country, as shown by the deposits in the savings banks, have increased by leaps and bounds. At no time in the history of this or any other country has there been an era so productive of material benefit alike to workingman and employer as during the seven years that have just passed.

The farmer has benefited quite as much as the manufacturer, the merchant, and the wage-worker. The most welcome and impressive fact established by the last census is the wide and even distribution of wealth among all classes of our countrymen. The chief agencies in producing this distribution are shown by the census to be the development of manufactures, and the application of new inventions to universal use. The result has been an increasing interdependence of agriculture and manufactures. Agriculture is now, as it always has been, the basis of civilization. The six million farms of the United States, operated by men who, as a class, are steadfast, single-minded, and industrious, form the basis of all the other achievements of the American people and are more fruitful than all their other resources. The men on those six million farms receive from the protective tariff what they most need, and that is the best of all

possible markets. All other classes depend upon the farmer, but the farmer in turn depends upon the market they furnish him for his produce. The annual output of our agricultural products is nearly four billions of dollars. Their increase in value has been prodigious, although agriculture has languished in most other countries; and the main factor in this increase is the corresponding increase of our manufacturing industries. American farmers have prospered because the growth of their market has kept pace with the growth of their farms. The additional market continually furnished for agricultural products by domestic manufacturers has been far in excess of the outlet to other lands. An export trade in farm products is necessary to dispose of our surplus; and the export trade of the farmers, both in animal products and in plant products, has very largely increased. Without the enlarged home market to keep this surplus down, we should have to reduce production or else feed the world at less than the cost of production. In the forty years ending in 1900 the total value of farm property increased twelve and a half billions of dollars; the farmer gaining even more during this period than the manufacturer. Long ago overproduction would have checked the marvelous development of our national agriculture, but for the steadily increasing demand of American manufacturers for farm products required as raw materials for steadily expanding industries. The farmer has become dependent upon the manufacturer to utilize that portion of his produce which does not go directly to food supply. In 1900 fifty-two per cent, or a little over half, of the total value of the farm products of the Nation



was consumed in manufacturing industries as the raw materials of the factories. Evidently the manufacturer is the farmer's best and most direct customer. Moreover, the American manufacturer purchases his farm supplies almost exclusively in his own country. Nine-tenths of all the raw materials of every kind and description consumed in American manufactories are of American production. The manufacturing establishments tend steadily to migrate into the heart of the great agricultural districts. The centre of the manufacturing industry in 1900 was near the middle of Ohio, and it is moving westward at the rate of about thirty miles in every decade; and this movement is invariably accompanied by a marked increase in the value of farm lands. Local causes, notably the competition between new farm lands and old farm lands, tend here and there to obscure what is happening; but it is as certain as the operation of any economic law that in the country as a whole farm values will continue to increase as the partnership between manufacturer and farmer grows more intimate through further advance of industrial science. The American manufacturer never could have placed this Nation at the head of the manufacturing nations of the world if he had not had behind him, securing him every variety of raw material, the exhaustless resources of the American farm, developed by the skill and the enterprise of intelligent and educated American farmers. On the other hand, the debt of the farmers to the manufacturers is equally heavy, and the future of American agriculture is bound up in the future of American manufactures. The two industries

have become, under the economic policy of our Government, so closely interwoven, so mutually interdependent, that neither can hope to maintain itself at the high-water mark of progress without the other. Whatever makes to the advantage of one is equally to the advantage of the other.

So it is as between the capitalist and the wage-worker. Here and there there may be an unequal sharing as between the two in the benefits that have come by protection; but benefits have come to both; and a reversal in policy would mean damage to both; and while the damage would be heavy to all, it would be heaviest, and it would fall soonest, upon those who are paid in the form of wages each week or each month for that week's or that month's work.

Conditions change and the laws must be modified from time to time to fit new exigencies. But the genuine underlying principle of protection, as it has been embodied in all but one of the American tariff laws for the last forty years, has worked out results so beneficent, so evenly and widely spread, so advantageous alike to farmers and capitalists and workingmen, to commerce and trade of every kind, that the American people, if they show their usual practical business sense, will insist that when these laws are modified they shall be modified with the utmost care and conservatism, and by the friends and not the enemies of the protective system. They can not afford to trust the modification to those who treat protection and robbery as synonymous terms.

## CAMPAIGN CONTRIBUTIONS FROM CORPORATIONS

STATEMENT ISSUED FROM THE WHITE HOUSE, NOVEMBER 4, 1904

CERTAIN slanderous accusations as to Mr. Cortelyou and myself have been repeated time and again by Judge Parker, the candidate of his party for the office of President. He neither has produced nor can produce any proof of their truth; yet he has not withdrawn them; and as his position gives them wide currency, I speak now lest the silence of self-respect be misunderstood. Mr. Parker's charges are in effect that the President of the United States and Mr. Cortelyou, formerly Mr. Cleveland's executive clerk, then Mr. McKinley's and my secretary, then Secretary of Commerce and Labor and now Chairman of the Republican National Committee, have been in a conspiracy to blackmail corporations, Mr. Cortelyou using his knowledge gained while he was Secretary of the Department of Commerce and Labor to extort money from the corporations, and I, the President, having appointed him for this especial purpose. The gravamen of these charges lies in the assertion that the corporations have been blackmailed into contributing, and in the implication, which in one or two of Mr. Parker's speeches has taken the form practically of an assertion, that they have been promised certain immunities or favors, or have been assured that they would receive some kind of improper consideration in view of their contributions. That contributions have been made to the

Republican Committee, as contributions have been made to the Democratic Committee, is not the question at issue. Mr. Parker's assertion is in effect that such contributions have been made for improper motives, either in consequence of threats or in consequence of improper promises, direct or indirect, on the part of the recipients. Mr. Parker knows best whether this is true of the contributions to his campaign fund which have come through his trusted friends and advisers who represent the great corporate interests that stand behind him. But there is not one particle of truth in the statement as regards anything that has gone on in the management of the Republican campaign. Mr. Parker's accusations against Mr. Cortelyou and me are monstrous. If true they would brand both of us forever with infamy; and inasmuch as they are false, heavy must be the condemnation of the man making them. I chose Mr. Cortelyou as Chairman of the National Committee after having failed successively to persuade Mr. Elihu Root, Mr. W. Murray Crane, and Mr. Cornelius N. Bliss to accept the position. I chose him with extreme reluctance, because I could ill spare him from the Cabinet. But I felt that he possessed the high integrity which I demanded in the man who was to manage my campaign. I am content that Mr. Parker and I should be judged by the public on the characters of the two men whom we chose to manage our campaigns; he by the character of his nominee, Mr. Thomas Taggart, and I by the character of Mr. Cortelyou. The assertion that Mr. Cortelyou had any knowledge, gained while in an official position, whereby he was enabled to secure and did secure any con-

tributions from any corporation is a falsehood. The assertion that there has been any blackmail, direct or indirect, by Mr. Cortelyou or by me is a falsehood. The assertion that there has been made in my behalf and by my authority, by Mr. Cortelyou or by any one else, any pledge or promise, or that there has been any understanding as to future immunities or benefits, in recognition of any contributions from any source, is a wicked falsehood.

That Mr. Parker should desire to avoid the discussion of principles I can well understand; for it is but the bare truth to say that he has not attacked us on any matter of principle or upon any action of the Government save after first misstating that principle or that action. But I can not understand how any honorable man, a candidate for the highest office in the gift of the people, can take refuge not merely in personalities, but in such base and unworthy personalities. If I deemed it necessary to support my flat denial by any evidence, I would ask all men of common-sense to ponder well what has been done in this campaign by Mr. Cortelyou, and to compare it with what Mr. Parker himself did when he was managing Mr. Hill's campaign for Governor; and to compare what has been done as regards the great corporations and moneyed interests under this Administration with what was done under the last Democratic Administration while Mr. Olney was Attorney-General; I would ask all honest men whether they seriously deem it possible that the course this Administration has taken in every matter, from the Northern Securities suit to the settlement of the anthracite coal strike, is compatible with any theory of pub-

lic behavior save the theory of doing exact justice to all men without fear and without favoritism; I would ask all honest and fair-minded men to remember that the agents through whom I have worked are Mr. Knox and Mr. Moody in the Department of Justice, Mr. Cortelyou in the Department of Commerce and Labor, and Mr. Garfield in the Bureau of Corporations, and that no such act of infamy as Mr. Parker charges could have been done without all these men being parties to it.

The statements made by Mr. Parker are unqualifiedly and atrociously false. As Mr. Cortelyou has said to me more than once during the campaign, if elected I shall go into the Presidency unhampered by any pledge, promise, or understanding of any kind, sort or description, save my promise, made openly to the American people, that so far as in my power lies I shall see to it that every man has a square deal, no less and no more.

## THE PRESERVATION OF ORDER IN LABOR TROUBLES

FROM THE PRESIDENT'S MESSAGE AT THE OPENING OF THE THIRD SESSION OF THE FIFTY-EIGHTH CONGRESS, DECEMBER 6, 1904

IN the vast and complicated mechanism of our modern civilized life the dominant note is the note of industrialism; and the relations of capital and labor, and especially of organized capital and organized labor, to each other and to the public at large come second in importance only



to the intimate questions of family life. Our peculiar form of government, with its sharp division of authority between the Nation and the several States, has been on the whole far more advantageous to our development than a more strongly centralized government. But it is undoubtedly responsible for much of the difficulty of meeting with adequate legislation the new problems presented by the total change in industrial conditions on this continent during the last half century. In actual practice it has proved exceedingly difficult, and in many cases impossible, to get unanimity of wise action among the various States on these subjects. From the very nature of the case this is especially true of the laws affecting the employment of capital in huge masses.

With regard to labor the problem is no less important, but it is simpler. As long as the States retain the primary control of the police power the circumstances must be altogether extreme which require interference by the Federal authorities, whether in the way of safeguarding the rights of labor or in the way of seeing that wrong is not done by unruly persons who shield themselves behind the name of labor. If there is resistance to the Federal courts, interference with the mails or interstate commerce, or molestation of Federal property, or if the State authorities in some crisis which they are unable to face call for help, then the Federal Government may interfere; but though such interference may be caused by a condition of things arising out of trouble connected with some question of labor, the interference itself simply takes the form of restoring order without regard to the questions which have

caused the breach of order — for to keep order is a primary duty and in a time of disorder and violence all other questions sink into abeyance until order has been restored. In the District of Columbia and in the Territories the Federal law covers the entire field of government; but the labor question is only acute in populous centres of commerce, manufactures, or mining. Nevertheless, both in the enactment and in the enforcement of law the Federal government within its restricted sphere should set an example to the State Governments, especially in a matter so vital as this affecting labor. I believe that under modern industrial conditions it is often necessary, and even where not necessary it is yet often wise, that there should be organization of labor in order better to secure the rights of the individual wage-worker. All encouragement should be given to any such organization, so long as it is conducted with a due and decent regard for the rights of others. There are in this country some labor unions which have habitually, and other labor unions which have often, been among the most effective agents in working for good citizenship and for uplifting the condition of those whose welfare should be closest to our hearts. But when any labor union seeks improper ends, or seeks to achieve proper ends by improper means, all good citizens and more especially all honorable public servants must oppose the wrongdoing as resolutely as they would oppose the wrongdoing of any great corporation. Of course any violence, brutality, or corruption should not for one moment be tolerated. Wage-workers have an entire right to organize and by all peaceful and honorable means to endeavor

to persuade their fellows to join with them in organizations. They have a legal right, which, according to circumstances, may or may not be a moral right, to refuse to work in company with men who decline to join their organizations. They have under no circumstances the right to commit violence upon those, whether capitalists or wage-workers, who refuse to support their organizations, or who side with those with whom they are at odds; for mob rule is intolerable in any form.

## EMPLOYERS' LIABILITY

FROM THE PRESIDENT'S MESSAGE AT THE OPENING OF THE THIRD SESSION OF THE FIFTY-EIGHTH CONGRESS, DECEMBER 6, 1904

THE wage-workers are peculiarly entitled to the protection and the encouragement of the law. From the very nature of their occupation railroad men, for instance, are liable to be maimed in doing the legitimate work of their profession, unless the railroad companies are required by law to make ample provision for their safety. The Administration has been zealous in enforcing the existing law for this purpose. That law should be amended and strengthened. Wherever the National Government has power there should be a stringent employers' liability law, which should apply to the Government itself where the Government is an employer of labor.

In my Message to the Fifty-seventh Congress, at its second session, I urged the passage of an employers' liability law for the District of Columbia. I now renew that recommendation, and

further recommend that the Congress appoint a commission to make a comprehensive study of employers' liability with the view of extending the provisions of a great and constitutional law to all employments within the scope of Federal power.

## SAFETY APPLIANCES ON RAILWAYS

FROM THE PRESIDENT'S MESSAGE AT THE OPENING OF THE THIRD SESSION OF THE FIFTY-EIGHTH CONGRESS, DECEMBER 6, 1904

THE ever-increasing casualty list upon our railroads is a matter of grave public concern, and urgently calls for action by the Congress. In the matter of speed and comfort of railway travel our railroads give at least as good service as those of any other nation, and there is no reason why this service should not also be as safe as human ingenuity can make it. Many of our leading roads have been foremost in the adoption of the most approved safeguards for the protection of travelers and employees, yet the list of clearly avoidable accidents continues unduly large. The passage of a law requiring the adoption of a block-signal system has been proposed to the Congress. I earnestly concur in that recommendation, and would also point out to Congress the urgent need of legislation in the interest of the public safety limiting the hours of labor for railroad employees in train service upon railroads engaged in interstate commerce, and providing that only trained and experienced persons be employed in positions of responsibility connected with the operation of trains. Of course, nothing can ever pre-

vent accidents caused by human weakness or misconduct; and there should be drastic punishment for any railroad employee, whether officer or man, who by issuance of wrong orders or by disobedience of orders causes disaster. The law of 1901, requiring interstate railroads to make monthly reports of all accidents to passengers and employees on duty, should also be amended so as to empower the Government to make a personal investigation through proper officers, of all accidents involving loss of life which seem to require investigation, with a requirement that the results of such investigation be made public.

The safety-appliance law, as amended by the Act of March 2, 1903, has proved beneficial to railway employees, and in order that its provisions may be properly carried out, the force of inspectors provided for by appropriation should be largely increased. This service is analogous to the Steamboat-Inspection Service, and deals with even more important interests. It has passed the experimental stage and demonstrated its utility, and should receive generous recognition by the Congress.

## LABOR UNIONS AMONG GOVERNMENT EMPLOYEES

FROM THE PRESIDENT'S MESSAGE AT THE OPENING OF THE THIRD SESSION OF THE FIFTY-EIGHTH CONGRESS, DECEMBER 6, 1904.

THERE is no objection to employees of the Government forming or belonging to unions; but the Government can neither discriminate for nor dis-

criminate against non-union men who are in its employment, or who seek to be employed under it. Moreover, it is a very grave impropriety for Government employees to band themselves together for the purpose of extorting improperly high salaries from the Government. Especially is this true of those within the classified service. The letter carriers, both municipal and rural, are as a whole an excellent body of public servants. They should be amply paid. But their payment must be obtained by arguing their claims fairly and honorably before the Congress, and not by banding together for the defeat of those Congressmen who refuse to give promises which they can not in conscience give. The Administration has already taken steps to prevent and punish abuses of this nature; but it will be wise for the Congress to supplement this action by legislation.

## CHILD-LABOR

FROM THE PRESIDENT'S MESSAGE AT THE OPENING OF THE THIRD SESSION OF THE FIFTY-EIGHTH CONGRESS, DECEMBER 6, 1904

MUCH can be done by the Government in labor matters merely by giving publicity to certain conditions. The Bureau of Labor has done excellent work of this kind in many different directions. I shall shortly lay before you in a special message the full report of the investigation of the Bureau of Labor into the Colorado mining strike, as this is a strike in which certain very evil forces, which are more or less at work everywhere under the conditions of modern industrial-



ism, became startlingly prominent. It is greatly to be wished that the Department of Commerce and Labor, through the Labor Bureau, should compile and arrange for the Congress a list of the labor laws of the various States, and should be given the means to investigate and report to the Congress upon the labor conditions in the manufacturing and mining regions throughout the country, both as to wages, as to hours of labor, as to the labor of women and children, and as to the effect in the various labor centres of immigration from abroad. In this investigation especial attention should be paid to the conditions of child labor and child-labor legislation in the several States. Such an investigation must necessarily take into account many of the problems with which this question of child labor is connected. These problems can be actually met, in most cases, only by the States themselves; but the lack of proper legislation in one State in such a matter as child labor often renders it excessively difficult to establish protective restriction upon the work in another State having the same industries, so that the worst tends to drag down the better. For this reason, it would be well for the Nation at least to endeavor to secure comprehensive information as to the conditions of labor of children in the different States. Such investigation and publication by the National Government would tend toward the securing of approximately uniform legislation of the proper character among the several States.

## INADEQUACY OF STATE CONTROL OF GREAT CORPORATIONS

FROM THE PRESIDENT'S MESSAGE AT THE OPEN-  
ING OF THE THIRD SESSION OF THE FIFTY-  
EIGHTH CONGRESS, DECEMBER 6, 1904

WHEN we come to deal with great corporations the need for the Government to act directly is far greater than in the case of labor, because great corporations can become such only by engaging in interstate commerce, and interstate commerce is peculiarly the field of the General Government. It is an absurdity to expect to eliminate the abuses in great corporations by State action. It is difficult to be patient with an argument that such matters should be left to the States, because more than one State pursues the policy of creating on easy terms corporations which are never operated within that State at all, but in other States whose laws they ignore. The National Government alone can deal adequately with these great corporations. To try to deal with them in an intemperate, destructive, or demagogic spirit would, in all probability, mean that nothing whatever would be accomplished, and, with absolute certainty, that if anything were accomplished it would be of a harmful nature. The American people need to continue to show the very qualities that they have shown—that is, moderation, good sense, the earnest desire to avoid doing any damage, and yet the quiet determination to proceed, step by step, without halt and without hurry, in eliminating or at least in minimizing whatever of mischief or of evil there is to

interstate commerce in the conduct of great corporations. They are acting in no spirit of hostility to wealth, either individual or corporate. They are not against the rich man any more than against the poor man. On the contrary, they are friendly alike toward rich man and toward poor man, provided only that each acts in a spirit of justice and decency toward his fellows. Great corporations are necessary, and only men of great and singular mental power can manage such corporations successfully, and such men must have great rewards. But these corporations should be managed with due regard to the interests of the public as a whole. Where this can be done under the present laws it must be done. Where these laws come short others should be enacted to supplement them.

Yet we must never forget the determining factor in every kind of work, of head or hand, must be the man's own good sense, courage, and kindness. More important than any legislation is the gradual growth of a feeling of responsibility and forbearance among capitalists and wage-workers alike; a feeling of respect on the part of each man for the rights of others; a feeling of broad community of interest, not merely of capitalists among themselves, and of wage-workers among themselves, but of capitalists and wage-workers in their relations to each other, and of both in their relations to their fellows who with them make up the body politic. There are many captains of industry, many labor leaders, who realize this. A recent speech by the president of one of our great railroad systems to the employees of that system contains sound common-sense. It runs in part as follows:

"It is my belief we can better serve each other, better understand the man as well as his business, when meeting face to face, exchanging views, and realizing from personal contact we serve but one interest, that of our mutual prosperity.

"Serious misunderstandings can not occur where personal good-will exists and opportunity for personal explanation is present.

"In my early business life I had experience with men of affairs of a character to make me desire to avoid creating a like feeling of resentment to myself and the interests in my charge, should fortune ever place me in authority, and I am solicitous of a measure of confidence on the part of the public and our employees that I shall hope may be warranted by the fairness and good-fellowship I intend shall prevail in our relationship.

"But do not feel I am disposed to grant unreasonable requests, spend the money of our company unnecessarily or without value received, nor expect the days of mistakes are disappearing, or that cause for complaint will not continually occur; simply to correct such abuses as may be discovered, to better conditions as fast as reasonably may be expected, constantly striving, with varying success, for that improvement we all desire, to convince you there is a force at work in the right direction, all the time making progress — is the disposition with which I have come among you, asking your good-will and encouragement.

"The day has gone by when a corporation can be handled successfully in defiance of the public will, even though that will be unreasonable and wrong. A public may be led, but not driven, and

I prefer to go with it and shape or modify, in a measure, its opinion, rather than be swept from my bearings, with loss to myself and the interests in my charge.

“Violent prejudice exists toward corporate activity and capital to-day, much of it founded in reason, more in apprehension, and a large measure is due to the personal traits of arbitrary, unreasonable, incompetent, and offensive men in positions of authority. The accomplishment of results by indirection, the endeavor to thwart the intention, if not the expressed letter of the law (the will of the people), a disregard of the rights of others, a disposition to withhold what is due, to force by main strength or inactivity a result not justified, depending upon the weakness of the claimant and his indisposition to become involved in litigation, has created a sentiment harmful in the extreme and a disposition to consider anything fair that gives gain to the individual at the expense of the company.

“If corporations are to continue to do the world’s work, as they are best fitted to, these qualities in their representatives that have resulted in the present prejudice against them must be relegated to the background. The corporations must come out into the open and see and be seen. They must take the public into their confidence and ask for what they want, and no more, and be prepared to explain satisfactorily what advantage will accrue to the public if they are given their desires; for they are permitted to exist not that they may make money solely, but that they may effectively serve those from whom they derive their power.

“Publicity, and not secrecy, will win here-

after; and laws be construed by their intent and not by their letter, otherwise public utilities will be owned and operated by the public which created them, even though the service be less efficient and the result less satisfactory from a financial standpoint."

The Bureau of Corporations has made careful preliminary investigation of many important corporations. It will make a special report on the beef industry.

The policy of the Bureau is to accomplish the purposes of its creation by co-operation, not antagonism; by making constructive legislation, not destructive prosecution, the immediate object of its inquiries; by conservative investigation of law and fact, and by refusal to issue incomplete and hence necessarily inaccurate reports. Its policy being thus one of open inquiry into, and not attack upon, business, the Bureau has been able to gain not only the confidence, but, better still, the co-operation of men engaged in legitimate business.

The Bureau offers to the Congress the means of getting at the cost of production of our various great staples of commerce.

Of necessity the careful investigation of special corporations will afford the Commissioner knowledge of certain business facts, the publication of which might be an improper infringement of private rights. The method of making public the results of these investigations affords, under the law, a means for the protection of private rights. The Congress will have all facts except such as would give to another corporation information which would injure the legitimate business of a



competitor and destroy the incentive for individual superiority and thrift.

The Bureau has also made exhaustive examinations into the legal condition under which corporate business is carried on in the various States; into all judicial decisions on the subject; and into the various systems of corporate taxation in use. I call special attention to the report of the chief of the Bureau; and I earnestly ask that the Congress carefully consider the report and recommendations of the Commissioner on this subject.

The business of insurance vitally affects the great mass of the people of the United States and is national and not local in its application. It involves a multitude of transactions among the people of the different States and between American companies and foreign Governments. I urge that the Congress carefully consider whether the power of the Bureau of Corporations can not constitutionally be extended to cover interstate transactions in insurance.

Above all else, we must strive to keep the highways of commerce open to all on equal terms; and to do this it is necessary to put a complete stop to all rebates. Whether the shipper or the railroad is to blame makes no difference; the rebate must be stopped, the abuses of the private car and private terminal-track and side-track systems must be stopped, and the legislation of the Fifty-eighth Congress which declares it to be unlawful for any person or corporation to offer, grant, give, solicit, accept, or receive any rebate, concession, or discrimination in respect of

the transportation of any property in interstate or foreign commerce whereby such property shall by any device whatever be transported at a less rate than that named in the tariffs published by the carrier must be enforced. For some time after the enactment of the Act to Regulate Commerce it remained a mooted question whether that act conferred upon the Interstate Commerce Commission the power, after it had found a challenged rate to be unreasonable, to declare what thereafter should, *prima facie*, be the reasonable maximum rate for the transportation in dispute. The Supreme Court finally resolved that question in the negative, so that as the law now stands the Commission simply possess the bare power to denounce a particular rate as unreasonable. While I am of the opinion that at present it would be undesirable, if it were not impracticable, finally to clothe the Commission with general authority to fix railroad rates, I do believe that, as a fair security to shippers, the Commission should be vested with the power, where a given rate has been challenged and after full hearing found to be unreasonable, to decide, subject to judicial review, what shall be a reasonable rate to take its place; the ruling of the Commission to take effect immediately, and to obtain unless and until it is reversed by the court of review. The Government must in increasing degree supervise and regulate the workings of the railways engaged in interstate commerce; and such increased supervision is the only alternative to an increase of the present evils on the one hand or a still more radical policy on the other. In my judgment the most important legislative act now needed as regards the regulation of cor-

porations is this act to confer on the Interstate Commerce Commission the power to revise rates and regulations, the revised rate to at once go into effect, and to stay in effect unless and until the court of review reverses it.

Steamship companies engaged in interstate commerce and protected in our coastwise trade, should be held to a strict observance of the interstate commerce act.

## FEDERAL REGULATION OF THE INTER-STATE RAILWAYS

ADDRESS DELIVERED BEFORE THE UNION LEAGUE CLUB, PHILADELPHIA, JANUARY 30, 1905

THIS club was founded to uphold the hands of Abraham Lincoln when he stood as the great leader in the struggle for union and liberty. We have a right, therefore, to appeal to this club for aid in every governmental or social effort made along the lines marked out by Lincoln. The great President taught many lessons which we who come after him should learn. Among the most important of these was the lesson that for weal or woe we are indissolubly bound together, in whatever part of the country we live, whatever our social standing, whatever our wealth or our poverty, whatever form of mental or physical activity our life work may assume. Lincoln, who was, more emphatically than any other President we have ever had, the President of the plain people, was yet as far removed as Washington himself from the slightest taint of demagoguery. With his usual farsighted clearness of vision he saw that in a republic such as ours permanent

prosperity of any part of our people was conditioned upon the prosperity of all; and that on the other hand any effort to raise the general level of happiness by striking at the well-being of a portion of the people could not be but in the end disastrous to all.

The principles which Lincoln applied to the solution of the problems of his day are those which we must apply if we expect successfully to solve the different problems of our own day — problems which are so largely industrial. Exactly as it is impossible to develop a high morality unless we have as a foundation those qualities which give at least a certain minimum of material prosperity, so it is impossible permanently to keep material prosperity unless there is back of it a basis of right living and right thinking. In the last analysis, of course, the dominant factor in obtaining this good conduct must be the individual character of the average citizen. If there is not this condition of individual character in the average citizenship of the country, all effort to supply its place by the wisest legislation and administration will in the end prove futile. But given this average of individual character, then wise laws and the honest administration of the laws can do much to supplement it. If either the business world or the world of labor loses its head, then it has lost something which can not be made good by any governmental effort. Our faith in the future of the Republic is firm, because we believe that on the whole and in the long run our people think clearly and act rightly.

Unquestionably, however, the great development of industrialism means that there must be an increase in the supervision exercised by the

Government over business enterprises. This supervision should not take the form of violent and ill-advised interference; and assuredly there is danger lest it take such form if the business leaders of the business community confine themselves to trying to thwart the effort at regulation instead of guiding it aright. Such men as the members of this club should lead in the effort to secure proper supervision and regulation of corporate activity by the Government, not only because it is for the interest of the community as a whole that there should be this supervision and regulation, but because in the long run it will be in the interest above all of the very people who often betray alarm and anger when the proposition is first made.

Neither this people nor any other free people will permanently tolerate the use of the vast power conferred by vast wealth and especially by wealth in its corporate form, without lodging somewhere in the Government the still higher power of seeing that this power, in addition to being used in the interest of the individual or individuals possessing it, is also used for and not against the interests of the people as a whole. Our peculiar form of government, a Government in which the Nation is supreme throughout the Union in certain respects, while each of nearly half a hundred States is supreme in its part of the Union in certain other respects, renders the task of dealing with these conditions especially difficult. No finally satisfactory result can be expected from merely State action. The action must come through the Federal Government. The business of the country is now carried on in a way of which the founders of our Constitu-

tion could by no possibility have had any idea.

All great business concerns are engaged in interstate commerce, and it was beyond question the intention of the founders of our Government that interstate commerce in all its branches and aspects should be under national and not State control. If the courts decide that this intention was not carried out and made effective in the Constitution as it now stands then in the end the Constitution, if not construed differently, will have to be amended so that the original undoubted intention may be made effective. But, of course, a constitutional amendment is only to be used as a last resort, if every effort of legislation and administration shall have been proved inadequate.

Meanwhile the men in public life and the men who direct the great business interests of the country should work not in antagonism but in harmony toward this given end. In entering a field where the progress must of necessity be so largely experimental it is essential that the effort to make progress should be tentative and cautious. We must grow by evolution, not by revolution. There must be no hurry, but there must also be no halt; and those who are anxious that there should be no sudden and violent changes must remember that precisely these sudden and violent changes will be rendered likely if we refuse to make the needed changes in cautious and moderate manner.

At the present moment the greatest need is for an increase in the power of the National Government to keep the great highways of commerce open alike to all on reasonable and equitable terms. Less than a century ago these high-



ways were still, as they had been since the dawn of history, either waterways, natural or artificial, or else ordinary roads for wheel vehicles drawn by animal power. The railroad, which was utterly unknown when our Government was formed and when the great principles of our jurisprudence were laid down, has now become almost everywhere the most important, and, in many large regions, the only form of highway for commerce. The man who controls its use can not be permitted to control it in his own interest alone.

It is not only just, but it is in the interest of the public, that this man should receive the amplest payment for the masterful business capacity which enables him to benefit himself while benefiting the public; but in return he must himself recognize his duty to the public. He will not and can not do this if our laws are so defective that in the sharp competition of the business world the conscientious man is put at a disadvantage by his less scrupulous fellows. It is in the interest of the conscientious and public-spirited railway man that there should be such governmental supervision of the railway traffic of the country as to require from his less scrupulous competitors, and from unscrupulous big shippers as well, that heed to the public welfare which he himself would willingly give, and which is of vital consequence to the small shipper. Every important railroad is engaged in interstate commerce. Therefore, this control over the railroads must come through the National Government.

The control must be exercised by some governmental tribunal, and it must be real and effective. Doubtless there will be risk that occasion-

ally, if an unfit President is elected, this control will be abused; but this is only another way of saying that any adequate governmental power, from the power of taxation down, can and will be abused if the wrong men get control of it.

The details must rest with the lawmakers of the two Houses of Congress; but about the principle there can be no doubt. Hasty or vindictive action would merely work damage; but in temperate, resolute fashion, there must be lodged in some tribunal the power over rates, and especially over rebates — whether secured by means of private cars, of private tracks, in the form of damages, or commissions, or in any other manner — which will protect alike the railroad and the shipper, and put the big shipper and the little shipper on an equal footing. Doubtless no law would accomplish all that enthusiasts hope; there is always disappointment over results of such a law among the oversanguine; but very real and marked good has come from the legislation and administration of the last few years; and now, as part of a coherent plan, it is entirely possible, and, indeed, necessary to enact an additional law which will mean further progress along the same lines of definite achievement in the direction of securing fair dealing as between man and man.

In some such body as the Interstate Commerce Commission there must be lodged in effective shape the power to see that every shipper who uses the railroads and every man who owns or manages a railroad shall on the one hand be given justice and on the other hand be required to do justice. Justice — so far as it is humanly possible to give and to get justice — is the foundation of our Government. We are not trying to

strike down the rich man; on the contrary, we will not tolerate any attack upon his rights. We are not trying to give an improper advantage to the poor man because he is poor, to the man of small means because he has not larger means; but we are striving to see that the man of small means has exactly as good a chance, so far as we can obtain it for him, as the man of larger means; that there shall be equality of opportunity for the one as for the other.

We do not intend that this Republic shall ever fail as those republics of olden times failed, in which there finally came to be a government by classes, which resulted either in the poor plundering the rich or in the rich exploiting and in one form or another enslaving the poor; for either event means the destruction of free institutions and of individual liberty. Ours is not a Government which recognizes classes. It is based on the recognition of the individual. We are not for the poor man as such, nor for the rich man as such. We are for every man, rich or poor, provided he acts justly and fairly by his fellows, and if he so acts the Government must do all it can to see that inasmuch as he does no wrong, so he shall suffer no wrong.

## OUR RESPONSIBILITIES AS A NATION

INAUGURAL ADDRESS DELIVERED MARCH 4, 1905

No people on earth have more cause to be thankful than ours, and this is said reverently, in no spirit of boastfulness in our own strength, but with gratitude to the Giver of Good, who has blessed us with the conditions which have en-

abled us to achieve so large a measure of well-being and of happiness. To us as a people it has been granted to lay the foundations of our national life in a new continent. We are the heirs of the ages, and yet we have had to pay few of the penalties which in old countries are exacted by the dead hand of a bygone civilization. We have not been obliged to fight for our existence against any alien race; and yet our life has called for the vigor and effort without which the manlier and hardier virtues wither away. Under such conditions it would be our own fault if we failed; and the success which we have had in the past, the success which we confidently believe the future will bring, should cause in us no feeling of vainglory, but rather a deep and abiding realization of all which life has offered us; a full acknowledgment of the responsibility which is ours; and a fixed determination to show that under a free government a mighty people can thrive best, alike as regards the things of the body and the things of the soul.

Much has been given to us, and much will rightfully be expected from us. We have duties to others and duties to ourselves; and we can shirk neither. We have become a great Nation, forced by the fact of its greatness into relations with the other nations of the earth; and we must behave as beseems a people with such responsibilities. Toward all other nations, large and small, our attitude must be one of cordial and sincere friendship. We must show not only in our words but in our deeds that we are earnestly desirous of securing their goodwill by acting toward them in a spirit of just and generous recognition of all their rights. But justice and

generosity in a nation, as in an individual, count most when shown not by the weak but by the strong. While ever careful to refrain from wronging others, we must be no less insistent that we are not wronged ourselves. We wish peace; but we wish the peace of justice, the peace of righteousness. We wish it because we think it is right and not because we are afraid. No weak nation that acts manfully and justly should ever have cause to fear us, and no strong power should ever be able to single us out as a subject for insolent aggression.

Our relations with the other Powers of the world are important; but still more important are our relations among ourselves. Such growth in wealth, in population, and in power as this Nation has seen during the century and a quarter of its national life is inevitably accompanied by a like growth in the problems which are ever before every nation that rises to greatness. Power invariably means both responsibility and danger. Our forefathers faced certain perils which we have outgrown. We now face other perils the very existence of which it was impossible that they should foresee. Modern life is both complex and intense, and the tremendous changes wrought by the extraordinary industrial development of the last half century are felt in every fibre of our social and political being. Never before have men tried so vast and formidable an experiment as that of administering the affairs of a continent under the forms of a democratic republic. The conditions which have told for our marvelous material well-being, which have developed to a very high degree our energy, self-reliance, and individual initiative, have also

brought the care and anxiety inseparable from the accumulation of great wealth in industrial centres. Upon the success of our experiment much depends; not only as regards our own welfare, but as regards the welfare of mankind. If we fail, the cause of free self-government throughout the world will rock to its foundations; and therefore our responsibility is heavy, to ourselves, to the world as it is to-day, and to the generations yet unborn. There is no good reason why we should fear the future, but there is every reason why we should face it seriously, neither hiding from ourselves the gravity of the problems before us nor fearing to approach these problems with the unbending, unflinching purpose to solve them aright.

Yet, after all, though the problems are new, though the tasks set before us differ from the tasks set before our fathers who founded and preserved this Republic, the spirit in which these tasks must be undertaken and these problems faced, if our duty is to be well done, remains essentially unchanged. We know that self-government is difficult. We know that no people needs such high traits of character as that people which seeks to govern its affairs aright through the freely expressed will of the freemen who compose it. But we have faith that we shall not prove false to the memories of the men of the mighty past. They did their work, they left us the splendid heritage we now enjoy. We in our turn have an assured confidence that we shall be able to leave this heritage unwasted and enlarged to our children and our children's children. To do so we must show, not merely in great crises, but in the everyday affairs of life, the qualities of



practical intelligence, of courage, of hardihood and endurance, and above all the power of devotion to a lofty ideal, which made great the men who founded this Republic in the days of Washington, which made great the men who preserved this Republic in the days of Abraham Lincoln.

## MATERIAL WELFARE AND THE SPIRITUAL LIFE

FROM AN ADDRESS DELIVERED BEFORE THE AMERICAN TRACT SOCIETY, IN WASHINGTON, D. C.,  
MARCH 12, 1905

It is, of course, unnecessary to say that the things of the body must be cared for; that the first duty of any man, especially of the man who has others dependent upon him, is to take care of them, and to take care of himself. Nobody can help others if he begins by being a burden upon others. Each man must be able to pull his own weight, to carry his own weight; and, therefore, each man must show the capacity to earn for himself and his family enough to secure a certain amount of material well-being. That must be the foundation. But on that foundation he must build as a superstructure the spiritual life.

One of the best things done by this society, and by kindred religious and benevolent societies, is supplying in our American life of to-day the proper ideals. It is a good thing to have had the extraordinary material prosperity which has followed so largely on the extraordinary scientific discoveries alluded to by Justice Brewer, if we use this material prosperity aright. It is not

a good thing, it is a bad thing, if we treat it as the be-all and end-all of our life. If we make it the only ideal before this Nation, if we permit the people of this Republic to get before their minds the view that material well-being carried to an ever higher degree is the one and only thing to be striven for, we are laying up for ourselves not merely trouble but ruin. I, too, feel the faith and hope that have been expressed here to-day by the vice-president and the secretary of the society; but I so feel because I believe that we shall not permit mere material well-being to become the only ideal in this Nation, because I believe that more and more we shall accustom ourselves to looking at the great fortunes accumulated by certain men as being nothing in themselves, either to admire, to envy or to deplore, save as they are used well or ill. If the great fortune is used well, if the man who has accumulated it has the strength necessary to resist the temptations either to use it wrongfully, or what is nearly as bad, not to use it aright — for negation may be almost as harmful as positive wrongdoing — then he is entitled to the praise due to whoever employs great powers for the common good. If the man who accumulates that great fortune uses it ill or does not use it well, then so far from being an object of envy, still less an object of admiration, he should take his place among those whom we condemn and pity — for usually, if we have the root of the matter in us, we will pity those we condemn.

Wonderful changes have come in the last half century. It may well be as Mr. Justice Brewer has said, that we tremble on the verge of still greater changes in the future. The railway, the

telegraph, the telephone, steam, electricity, all the marvelous mechanical inventions of these last five decades, have changed much in the superficial aspect of the world, and have, therefore, produced certain great changes in the world itself. But after all, in glorying over and wondering at this extraordinary development, I think that we sometimes forget that compared to the deeper things it is indeed only superficial in its effect. The qualities that count most in man and woman now are the qualities that counted most two thousand years ago; and as a Nation we shall achieve success or merit failure accordingly as we do or do not display those qualities. Among the members of this congregation is a man who, in his prime, served as the fleet engineer of Farragut when Farragut went into Mobile Bay. That was forty-one years ago. The ships and the guns with which Farragut did that mighty feat are now almost as obsolete as the galleys that fought for the mastery of the Ægean Sea when Athens waged war on Sparta. They could no more stand against a modern ship than could the ships that fought against the Invincible Armada in 1588. But if the need ever comes for this Nation to call on its sons to face a foreign foe, the call will or will not be made in vain just exactly according to whether we do or do not still retain the spirit which drove Farragut and the men under him onward to victory. The gun changes, the ship changes; but the qualities needed in the man behind the gun, in the man who handles the ship, are just the same as they ever were. So it is in our whole material civilization of to-day. The railroad, the telegraph, all these wonderful inventions, produce new prob-

lems, confer new benefits, and bring about new dangers. Cities are built up to enormous size, and, of course, with the upbuilding of the cities comes the growth of the terrible problems which confront all of us who have to do with city life. Outward circumstances change. New dangers spring up and old dangers vanish. But the spirit necessary to meet the new dangers, the spirit necessary to ensure the triumph that we must and shall win, is the same now that it has always been. This is the spirit which lies behind this society, and all kindred societies; and we owe to this society all the help we can afford to give; for it is itself giving to our people a service beyond price, a service of love, a service which no money could buy.

## THE SQUARE DEAL

FROM AN ADDRESS DELIVERED AT A BANQUET IN  
DALLAS, TEXAS, APRIL 5, 1905

WHEN I say I believe in a square deal I do not mean, and nobody who speaks the truth can mean, that he believes it possible to give every man the best hand. If the cards do not come to any man, or if they do come, and he has not got the power to play them, that is his affair. All I mean is that there shall not be any crookedness in the dealing. In other words, it is not in the power of any human being to devise legislation or administration by which each man shall achieve success and have happiness; it not only is not in the power of any man to do that, but if any man says that he can do it, distrust him as a quack. If the hand of the Lord is heavy

upon any man, if misfortune comes upon him, he may be unable to win; or even if fortune favors him and he lacks the courage, the nerve, the common-sense, the ability, to do the best with the chance given him, then he will fail. All any of us can pretend to do is to come as near as our imperfect abilities will allow to securing through governmental agencies an equal opportunity for each man to show the stuff that is in him; and that must be done with no more intention of discrimination against the rich man than the poor man, or against the poor man than the rich man; with the intention of safeguarding each man, rich or poor, poor or rich, in his rights, and giving him as nearly as may be a fair chance to do what his powers permit him to do; always provided he does not wrong his neighbor.

This is not in the least a partisan question. It is one of those questions that affect all our citizens, a question that goes to the root of our citizenship: and when it comes to a question like that you citizens of this country have the right to expect your representatives in public life to join hands and work for the common good and without regard to any mere party differences. As to the details of carrying out those general principles we can not expect everybody to agree. My own views are pretty definite, both about foreign and domestic policies. In foreign policies, for instance, I have this strong belief, which I am sure will appeal to every cow-man present—never draw, unless you mean to shoot; and that implies, of course, that when you draw it shall not be an empty gun. . . .

In the same way when you come to internal affairs; I have advocated giving the Interstate

Commerce Commission increased power; power that will enable it to work effectively and quickly. I should not do that for one moment if I believed that there would be injustice done to the railroads by the Interstate Commerce Commission. I wish it understood definitely that if I find any subordinate of mine doing an injustice against a railroad, or doing an injustice for it, I will cinch him just as quickly in one case as in the other. I shall expect him to do the square thing, both by the railroad and by the public. If the railroad wants more than it is entitled to have, then he must decide against it; if the public ignorantly demands that the railroad shall do more than it can with propriety do, then just as fearlessly he must antagonize public sentiment, even if the public sentiment is unanimous.

These are the general principles. It is much easier to lay down general principles than it is to work out those principles in detail. But I have told you substantially what are, as I regard them, the main features of the platform upon which I stand, and I think that you agree with me that it is a pretty straight American platform.

## RAILWAY LEGISLATION

FROM AN ADDRESS DELIVERED BEFORE THE LEGISLATURE OF TEXAS, IN AUSTIN, APRIL 6, 1905

THERE are one or two things that I would like particularly to say in this chamber, and to the members of the Texas Legislature. I received a copy of the resolution passed by your body, introduced, I understand, by ex-Minister Terrell,



in reference to the passage of the Interstate Commerce Act. I wish to thank you most heartily for what you did. I think, Governor, Mr. Speaker, and gentlemen, that the longer our experience in public office is, the more we realize that at least ninety-five per cent, if not more, in importance, of the work done by any public officer who is worth his salt has nothing whatever to do with partisan politics. The things that concern us all as good citizens are infinitely larger than the matters concerning which we are divided one from the other along party lines. Fundamentally our attitude in our foreign affairs and in reference to foreign nations must in the long run, if we are to be successful as a people, be based upon certain common-sense rules of conduct, the identical rules upon which every self-respecting citizen must base his private actions.

This is equally true as regards all questions dealing with capital and labor; and especially with those dealing with the great aggregates of capital usually to be found in corporate form through which so much of our business at the present day is conducted. It is essential, in dealing thus by legislative action with corporate wealth, or indeed with wealth in any form, that we remember and act upon certain rules simple enough and commonplace enough to state, but not always easy to act upon. Most emphatically we can not as good Americans bear hostility to any rich man as such any more than to any poor man as such. My experience has been that the man who talks over-loudly of his hostility to corporate wealth can not be trusted even to antagonize cor-

porate wealth when it is wrong. Let us be moderate in our statements; but let us make our deeds bears out absolutely our words.

With this preliminary I would like to say in brief just what my position is as regards the particular question with which I had to deal and as regards which the Texas Legislature took the action I so much appreciate.

On the whole there have been few instruments in the economic development of the country which have done more for the country than the railroads. I do not wish in any shape or way to interfere with the legitimate gain of any of the big men whose special industrial capacity enables them to handle the railroads so as to be of profit to themselves and of advantage to all of us. I should be most reluctant — I will put it stronger than that — I should absolutely refuse to be a party to any measure, to any proposition, that interfered with the proper and legitimate prosperity of those men; and I should feel that such a measure was aimed not only at them, but at all of us, for any attack upon the legitimate prosperity of any of us is in the long run sure to turn into an attack upon all. With that proviso (as to which I ask you to remember that I mean literally every word) let me further add that the public has the right (not a privilege, but in my view a duty) to see that there is on its behalf exercised such supervisory and regulatory power over the railroads as will ensure that while they get fair treatment themselves, they give it in return. The proper exercise of that power is conditioned upon the securing of proper legislation, which will enable the representatives of the public to see to it that any unjust or oppressive or discriminat

ing rate is altered, so as to be a just and fair rate, and is altered immediately.

I know well that when you give that power there is a chance of its being occasionally abused. There is no power that can be given to the representatives of the people which it is not possible to abuse. As every one knows, the power of taxation, which must of course be given to the representatives of the people, is the power of death, for it is possible to kill any industry by excessive taxation. There must be a certain trust placed in the common-sense and common honesty of those who are to enforce the law. If it ever falls, and I think it will, to my lot to nominate a board to carry out such a law, I shall nominate men, as far as I am able, on whose ability, courage, and integrity I can count, men who will not be swayed by any influence whatever, direct or indirect, social, political, or any other, to show improper favoritism to any railroad, and who, on the other hand, if a railroad is unjustly attacked, no matter if that attack has behind it the feeling of prejudice of ninety-nine per cent. of the people, will stand up against that attack. That is my interpretation of the doctrine of the square deal.

## FAIR TREATMENT OF THE RICH MAN

FROM AN ADDRESS DELIVERED IN FRONT OF THE  
ALAMO, IN SAN ANTONIO TEXAS, APRIL 7,  
1905

It has always seemed to me that one of the greatest lessons taught by the Civil War was the lesson of brotherhood. You, my friends, who

wore the blue; you, my friends, who wore the gray, what each of you when he went forward to battle was concerned with about the man on his right hand and the man on his left was not what that man's ancestry was, not as to how he worshiped his Maker, not as to what his profession was, or his means; what you wanted to know was whether he would stay put. If he did you were for him, and if he did not you were against him.

The same thing that was true in the great war is true in time of peace. This Government is emphatically a government by the people, for the people, of the people. Now, besides applauding that sentiment, let us live up to it. It has two sides to it. In the first place, it applies in a dozen different directions. It applies, for instance, in reference to creed. We have a right to ask that our neighbor do his duty toward God and man; but we have no business to dictate to him how he shall worship his Maker, and no business to discriminate for or against him because of the way in which he does it. In the same way, if a man is a decent citizen, he is a decent citizen, whether rich or poor. To judge from some of the talk you occasionally hear, a man can not be a square man if he is rich. Remember always that you listen at your peril to any man who would seek to inflame you against your fellow-citizen because he is better off. Again, in the Civil War, come back to the consideration about your bunkie. You did not care whether he was a banker or bricklayer. If he was a banker he was all right if he was a good fellow, if he did his duty in camp, if he did not straggle on the march, if he did not drop his share of the joint provisions on

the march, and then expect you to share yours with him at the end of the day. You wanted him to do his part, and if he did it you were for him. Now, apply that in civil life. If the rich man does not his duty, cinch him, and I will help you just as far as I can. But don't cinch him because he is a rich man. If you do you are a mighty mean creature yourself; you are not a good American yourself. Give him a perfectly fair show. If he is a poor man and does his duty, help him, stand by him. If he whines about his poverty and says that he ought to be carried, you may just as well make up your mind to drop him then and there. Every man of us stumbles at times. Every man of us at times needs a helping hand stretched out to him; and shame to any man who will not stretch out that helping hand to his brother if that brother needs it. But if the brother lies down, you can do mighty little in carrying him. You can help him up; but once up he has got to walk himself. The only way in which you can ever really help any man is to help him to help himself.

## REGULATION OF RAILWAY RATES

FROM AN ADDRESS DELIVERED AT A BANQUET OF  
THE CHAMBER OF COMMERCE AND BOARD OF  
TRADE, IN DENVER, COLORADO, MAY 9, 1905

GENTLEMEN, I want to say a word as to a governmental policy in which I feel that this whole country ought to take a great interest and which is itself but part of a general policy into which I think our Government must go. I speak of the policy of extending the powers of the Interstate

Commerce Commission, of giving them the power to fix rates and to have the rates that they fix go into effect practically at once. As I say, that represents in my mind part of what should be the general policy of this country, the policy of giving not to the State but to the National Government an increased supervisory and regulatory power over corporations. The first step and to my mind the most important step in this general policy is to give the Nation in effective form this power over the great transportation corporations of this country. In the days of the fathers of the older among you the highways of commerce for civilized nations were what they had always been — waterways and roads. Therefore they were open to all who chose to travel upon them. Within the last two generations we have seen a system grow up under which the old methods were completely revolutionized, and now the typical highway of commerce is the railroad. Compared to the railroad the ordinary road for wheeled vehicles, and the waterway, whether natural or artificial, have lost their importance. Here in Colorado, for instance, it is the railroads which, of course, are the only highways that you need take into account in dealing with the question of commerce in the State or outside of the State. Therefore, under this changed system, we see highways of commerce grow up each of which is controlled by a single corporation or individual; sometimes several of them being controlled in combination by corporations or a few individuals. When such is the case, in my judgment it is absolutely necessary that the Nation (for the separate States can not possibly do it) should assume a supervisory and



regulatory function over the great corporations which practically control the highways of commerce.

Now fix clearly in your minds two facts at the outset. As with everything else mundane, when you get that supervisory and regulatory power on behalf of the Nation you will not have cured all the evils that existed and you will not equal the expectations of the amiable but ill-regulated enthusiast who thinks that you ought to have cured all those evils. A measure of good will come, some good will be done, some injustice will have been prevented; but we shall be a long way from the millennium. Get that fact clear in your mind or you will be laying up for yourselves a store of incalculable disappointment in the future. That is the first thing.

Now the second and even more important matter: When you give the Nation that power, remember that harm and not good will come unless you give it with the firm determination not only to get justice for yourselves, but to do justice to others. You must be as jealous to do justice to the railroads as to exact justice from them. We can not afford in any shape or way in this country to encourage a feeling which would do injustice to a man of property, any more than to submit to injustice from a man of property. Whether the man owns the biggest railroad or the greatest outside corporation in the land, or whether he makes each day's bread by the sweat of that day's toil, he is entitled to justice and fair dealing, to no more and to no less. A spirit of envy on the part of those less well off against the better off is as bad as and no worse than a spirit of arrogant disregard for the rights of the

man of small means on the part of the man of large means. The arrogance and the envy are not two different qualities; they are the same quality shown by men under different circumstances.

We must make up our minds that nothing but harm will come from any scheme to exercise such supervision as that I advocate over corporations, and especially over the common carriers, unless we have it clearly fixed in our minds that the scheme is to be one of substantial justice alike to the common carrier and to the public. If I have the appointment or retention of any commission and power to administer a law of such increased powers I shall neither appoint nor retain the man who would fail to do justice to the railroads any more than I would appoint or retain the man who would fail to exact justice from the railroads. I want that understood as a preliminary. If I have the appointment of any of those men, or their retention, they will give a square deal all around or else their shrift will be short.

But with that statement as a preliminary I wish to urge with all the earnestness I possess, not only upon the public, but upon those interested in the great railway corporations, the absolute need of acquiescence in the enactment of such law. As has been well set forth by the Attorney-General, Mr. Moody, in his recent masterly argument presented to the committee of the Senate which is investigating the matter, the Legislators have the right and as I believe the duty to confer these powers upon some executive body. It can not confer them upon any court, nor can it take away the court's power to interfere if the law is administered in a way that

amounts to confiscation of property. Of course, it would be possible to come much short of such confiscation and yet do great damage, perhaps irreparable damage, to the great corporations engaged in interstate commerce. We must remember always that most of the men who are responsible for the management of these great corporations, and who have profited thereby, have made their fortunes not as incidental to damaging, but to benefiting the community as a whole. We must be careful that nothing is done that would jeopardize their industries and that would therefore work harm of the most far-reaching kind not only to all, from the humblest to the highest, engaged in these industries, but to the business community as a whole. We must be careful to see that the law is administered with sanity and conservatism. But the power must exist, if justice is to be done as between the public and the common carrier, in some governmental executive tribunal, not only to fix rates and alter them, when convinced that existing rates do injustice, but to see that the rate thus fixed goes into effect practically at once.

I do not ascribe it to any moral culpability of the men engaged in handling these great corporations that they can not see some of the bad effects of certain things they do. It is most natural for a man who is trying to carry on his business in competition with some other business to think that whatever he does that would beat his competitor is a pretty good thing for the community at large; and often I do not blame him for what he does; but I intend to prevent his doing it when it is against the public weal.

I can not attempt to speak in detail of all that

should be put into the law as I hope it will be enacted at the next session of the National Congress. Not only should this power over rates go in, but in my belief we should at the same time deal with the private car question, which, as regards certain industries, offers an even greater menace than is offered by the present system of fixing rates. I do not think that the law will have to deal with many subjects, but I do feel that with the two I have mentioned and with perhaps one or two others it should deal effectively. There will be the argument made on the other side (doubtless the argument being made in their own minds by certain of my hearers) that such power is liable to abuse. Of course it is. The power of taxation is liable to grave abuse, and yet it must exist in the appropriate legislative body. You can not give any needed power to the representatives of the people without exposing yourselves to the danger of that power being abused. There must be the possibility of abuse or there can not be the possibility of effective use.

In closing I wish to mention one governmental project which I have been instrumental, I think, in having started which will have a certain bearing upon this question, and that is the Panama Canal. It is perhaps unnecessary for me to say that I am perfectly aware that many most admirable gentlemen disagreed with me in my action toward the Panama Canal. But I am in a wholly unrepentant frame of mind in reference thereto. The ethical conception upon which I acted was that I did not intend that Uncle Sam should be held up while he was doing a great

work for himself and all mankind. But without regard to that, when the canal comes into operation I think it will have a very important regulatory effect in connection with the transcontinental commerce of the great railroads. I think when such is the case those great railroads will have to revise their way of looking at the interests of certain inland cities.

Let me repeat. I have told you my views as to what I regard to be the most important matter of internal national legislation that in the immediate future will be before this people. I wish to say again that, important though that legislation is, it is nothing like as important as the spirit in which we approach it. If we approach it in the spirit of demagoguery, if we permit ourselves as a people to be deluded into the belief that permanent good will come to us as a mass, if we attack unjustly the proper rights of others because they are wealthy, we shall do ourselves just as much damage as if we permitted an attack upon those who are poor because they are poor. In time past republic after republic has existed in this world and has gone down to destruction, sometimes because the republic was turned into a government of the poor who plundered the rich, sometimes because it was turned into a government of the rich who exploited the poor. It made no difference whatever to the fate of the republic which form its fall took. That fall was just as certain in one case as in the other. It was just as certain to follow the triumph of a class which plundered another class, whether the class thus given mastery was the class of the poor who plundered the rich, or the

class of the rich who exploited the poor. The destruction was as inevitable in one instance as in the other.

We have the right to look forward with confident hope to the future of this Republic because it will not and shall not become the Republic of any class, either poor or rich, because it will and shall remain as its founders intended it to be, and as its rescuers under Abraham Lincoln intended it to be, a government where every man, rich or poor, so long as he does his duty to his neighbor, is given his full rights, is guaranteed justice and has justice exacted from him in return.

## FEDERAL SUPERVISION OVER COMBINATIONS OF CAPITAL AND LABOR

FROM AN ADDRESS DELIVERED BEFORE THE IROQUOIS CLUB, AT A BANQUET IN CHICAGO, MAY 10, 1905

AMONG the vital questions that have come up for solution, because of the extraordinary industrial development of this country, as of all the modern world, are the questions affecting capital and labor as regards each other, and the questions resulting from the effect upon the public of the organization into great masses of both capital and labor. I believe thoroughly in each kind of organization, but I recognize that if either kind of organization does what is wrong, the increase in its power for efficiency that has resulted from the combination means the increase in its power to do harm; and that, therefore, corpora-



tion — that is, organized capital — and union — that is, organized labor — must alike be held to a peculiar responsibility to the public at large, and that from each alike we have the right to demand not only obedience to the law, but service to the public.

There are two sides to what I have said, and we are very apt to hear only insistence upon one side — sometimes insistence upon one side, sometimes insistence upon the other, but not as often as we should insistence upon both sides.

I take up first the question of organized capital. When this Nation was created, such a thing as a modern corporation not only did not exist, but could not be imagined. This is especially true of the great modern corporations engaged in interstate commerce. A century ago the highways of commerce were exactly such as they had been from the days of the dawn of civilization on the banks of the Nile and in Mesopotamia. All that could be done by waterways and by roads for wheeled vehicles drawn by animal power had been developed to a very marked degree; but sails, oars, wheeled vehicles and beasts of burden were, as they had been for many thousands of years, the only means of commerce, the only methods by which individuals or corporations engaged in commerce could act. Under such circumstances the fathers and founders of this Republic could not foresee, and therefore, doubly, could not provide for, the conditions of the present day. We now have the great highways of commerce of an entirely different kind. The waterway, the road for wheeled vehicles, have sunk into absolute insignificance compared with the railway. We therefore have

for the first time in history a highway for the commerce of all the people under the control of a private individual or private corporation. Now gentlemen, let me in the first place insist upon this fact, that we should keep ever before us that the men who have built up the great railroad systems of this country, like the men who have built up the other great industries of this country, have as a rule (there are exceptions, but as a rule) made their fortunes as incidents to benefiting and not to harming the country. As a rule benefit and not harm has come from their efforts, and in making fortunes for themselves they have done good to all of us. We have all benefited by the talents of the great captains of industry. I am speaking, as I say, as a rule, with full knowledge of the exceptions to what I say, but disregarding those exceptions in making a general statement. We can not afford to do damage to those men or to those corporations, because in the first place we can not afford to do injustice to any man, rich or poor; in the next place, because to do such damage to them would mean wide-spread damage among the wage-workers and among the general public. All of this that I have said I wish kept in mind steadily in appreciating what I am about to say; for while acknowledging in the frankest manner the benefits that have come from the development of these great industrial enterprises, I also feel that we must recognize that the time has now come when it is essential in the interests of the public that there should be, and be exercised, an effective power of supervision and regulation over them in the interests of the public.

The State can properly deal with the corpora-

tions doing business within its own limits. The State can not deal at all with corporations doing business in many different States, and it is an absurdity at once ludicrous and harmful to leave it in the power of one State to create a corporation of gigantic size which shall do all its work in a number of other States, and perhaps with the scantiest regard for their laws.

Personally, I believe that the Federal Government must take an increasing control over corporations. It is better that that control should increase by degrees than that it should be assumed all at once. But there should be, and I trust will be, no halt in the steady progress of assuming such national control. The first step toward it should be the adoption of a law conferring upon some executive body the power of increased supervision and regulation of the great corporations engaged primarily in interstate commerce of the railroads. My views on that subject could not have been better expressed than they were expressed yesterday by Secretary Taft in Washington, and as they were expressed by the Attorney-General in his communication to the Senate Committee a couple of weeks ago. I believe that the representatives of the Nation — that is, the representatives of all the people — should lodge in some executive body the power to establish a maximum rate, the power to have that rate go into effect practically immediately, and the power to see that the provisions of the law apply in full to companies owning private cars and private tracks, just as much as the railroads themselves. The courts will retain, and should retain, no matter what the Legislature does, the power to interfere and upset any action

that is confiscatory in its nature. I am well aware that the action of such a body as I have spoken of may stop far short of confiscation, and yet do great damage. In other words, I am well aware that to give this power means the possibility that the power may be abused. That possibility we must face. Any power strong enough, any power which could be granted sufficiently great to be efficient, would be sufficiently great to be harmful if abused. That is true of the power of taxation. It is perfectly possible for the body that has the power of taxation intrusted to it to use it viciously and harmfully against certain interests or certain classes. Nevertheless, the power must exist. The power must be lodged in the representatives of the people. So it is with the power of which I speak. It must exist; it must be lodged in some body which is to give expression to the needs of the people as a whole. The fact that it is possible that the power may be abused is not, and can not be, an argument against placing it where we shall have a right to expect that it will be used fairly toward all.

One thing I wish definitely understood. If the power is granted me to create such a board, such a commission, or to continue in power, if I so desire, a commission or board with increased powers, I shall strive to appoint and retain men who will do exactly the same justice to the railroads as they will exact from the railroads. False hopes are always raised by any measure of reform, because there are always people who expect the impossible. If the measure which I advocate is enacted into law, a good many peo-

ple will expect that it will bring the millennium considerably nearer than will prove to be the case. The men whom I appoint to execute that law will be, so far as my ability to choose them exists, men who will no more be frightened by an even sincere popular clamor into doing an act of injustice to any great corporation than they will be frightened, on the other hand, into refraining from doing an act of justice because it is against the interests of some great corporation. In other words, I shall strive to see that that branch of the Government with its increased power is administered as every branch of the Government ought to be administered — that is, in a spirit of striving to do exact justice to the men of great means just as much as, and no more than, to the man of small means.

Now for the other side of the question. There have been a great many republics before our time, and again and again these republics have split upon the rock of disaster. The greatest and most dangerous rock in the course of any republic is the rock of class hatred. Sometimes in the past the republic became a republic in which one class grew to dominate over another class, so that for loyalty to the republic was substituted loyalty to a class. The result was in such case inevitable. It meant disaster and ultimately the downfall of the republic, and it mattered not one whit which class became dominant; it mattered not one whit whether the poor plundered the rich or the rich exploited the poor. In either case, just as soon as the republic became one in which one class substituted loyalty to that class for loyalty to the republic, the end of the repub-

lic was at hand. No true patriot will fail to do everything in his power to prevent the growth of any such spirit in this country.

This Government is not and never shall be a government of a plutocracy. This Government is not, and never shall be, a Government of a mob. I believe in corporations. They are indispensable instruments of our modern industrialism; but I believe that they should be so supervised and regulated that they shall act for the interest of the community as a whole. So I believe in unions. I am proud of the fact that I am an honorary member of one union. But I believe that the union, like the individual, must be held to a strict accountability to the power of the law.

Mr. Mayor, as President of the United States, and therefore as representative of the people of this country, I give you, as a matter of course, my hearty support in upholding the law, in keeping order, in putting down violence, whether by a mob or by an individual. There need not be the slightest apprehension in the heart of the most timid that ever the mob spirit will triumph in this country. Those immediately responsible for dealing with the trouble must, as I know you feel, exhaust every effort in so dealing with it before a call is made upon any outside body. But if ever the need arises, back of the city stands the State, and back of the State stands the Nation.

There, gentlemen, is a point upon which all good Americans are one. They are all one in the conviction, in the firm determination that this country shall remain in the future as it has been in the past, a country of liberty and justice ex-



pressed through the forms of law; a country in which the will of the people is supreme, but in which that will finds its expression as provided for in the Constitution of the United States, and of the several States that go to make up our Nation.

## THE USE OF VIOLENCE IN LABOR TROUBLES

REMARKS MADE TO A STRIKE COMMITTEE OF THE TEAMSTERS' ASSOCIATION, PRESENTING A PETITION IN REGARD TO A DISPUTE WITH THE EMPLOYERS' ASSOCIATION AND THE SUGGESTED CALLING OUT OF FEDERAL TROOPS, IN CHICAGO, MAY 10, 1905

MR. SHEA, MR. QUINN, AND GENTLEMEN:

I have read the petition you have presented to me, the conclusion of which is a request for a hearing before any action be taken by the Federal President, relating to the Chicago strike situation. As yet no suggestion of any kind has come to me from any source that I should take any action. Of the merits of the case I am wholly ignorant. I have no knowledge of what the situation is, or of what steps should properly be taken to end it. I feel, however, that in view of one statement, or series of statements, in your letter, I ought to say this: I regret that you should have in the letter spoken at all of the use of the Federal army as you have there spoken. No request has been made to me for action by the Federal Government, but at the same time, Mr. Shea, as you have in this communication to me brought up that fact, I want to say one thing

with all the emphasis in my power. In upholding law and order, in doing what he is able to do to suppress mob violence in any shape or way, the Mayor of Chicago, Mayor Dunne, has my hearty support. I am glad to be able to say this to you gentlemen before I say it to any other body. Now let me repeat that I know nothing of the facts of the situation. I know nothing of the rights or wrongs of the points at issue. What I have to say is based purely upon what I regard as the unfortunate phrasing of a letter presented to the President of the United States. I have not been called upon to interfere in any way, but you must not misunderstand my attitude. In every effort of Mayor Dunne to prevent violence by mobs or individuals, to see that the laws are obeyed and that order is preserved, he has the hearty support of the President of the United States, and in my judgment he should have that of every good citizen of the United States.

Now, gentlemen, it has been a great pleasure to see you, and I am glad to have had the chance to say this to you.

MR. SHEA, ONE OF THE STRIKE COMMITTEE:

Let me explain. The Governor has been requested by the committee of the employers to demand Federal troops. The statement has been made in the papers. I immediately telegraphed Governor Deneen that we would allow him to appoint a commission.

Regardless of that I want to make our position known to you in regard to mob violence. Every time a mob congregates, every act of violence performed by either a union man or a sympathizer, it reacts to our detriment. I believe that

we are skilled workmen enough in our particular craft to demonstrate to our business men of Chicago that it is to their interest to employ us. There is nothing at stake but the re-employment of citizens of Chicago who have been forced out of their positions. Acts of violence meet with the condemnation of the officials, both local and national, of our organization. It does not meet with the sympathies of our organization. I simply want to say that we want to be fair, to preserve the business interests of Chicago, realizing that the prosperity of our employers is our prosperity.

THE PRESIDENT:

Mr. Shea, I can only repeat what I have said. I am a believer in unions. I am an honorary member of one union. But the union must obey the law just as the corporation must obey the law, just as every man, rich or poor, must obey the law. As yet no action whatever has been called for by me, and most certainly if action is called for by me I shall try to do exact justice under the law to every man, so far as I have power. But the first essential is the preservation of law and order, the suppression of violence by mobs or individuals.

FEDERAL SUPERVISION OF RAILWAYS AS AN EXECUTIVE NOT A JUDICIAL FUNCTION

FROM AN ADDRESS DELIVERED AT WILLIAMS COLLEGE, WILLIAMSTOWN, MASS., JUNE 22, 1905

I AM particularly glad to speak to an audience like this, because I do not know that I shall have

the unqualified assent of everybody here. If I address an audience merely of men of very small means or wage-workers, then what I want to tell them, as the most important thing for them to learn, is to avoid an attitude of rancorous envy or hostility toward men of wealth, and above all to remember that the well-being of our social structure rests upon obedience to the law, upon the immediate suppression of mob violence, mob rule, in any form. There can be and must be no paltering with any manifestation of that spirit. Any attempt to override the law by action of individuals or by the action of mobs, whether the attempt comes in connection with labor difficulties or in any other way, must in the interest of the Nation be met fearlessly at the earliest opportunity, and the lawlessness put down.

On the other side, just as we must never allow this Government to be changed into government by a mob, so we must never allow it to be changed into government by a plutocracy. The growth of our modern industrialism has resulted in an altogether disproportionate reward to the man who goes into money-making as his only career. Two evil results follow. One is the result to himself, for, unless he is a man of very strong character, there almost inevitably comes a certain arrogance, or at least a certain carelessness toward the rights of others. The other result is to breed in the minds of poor people an attitude of sullen envy toward men of wealth, which is infinitely more damaging to the people who hold it than any action of the man of wealth could be.

There must be a closer supervision by the Government of great industrial combinations, for of course wealth at present finds its expression

through these great industrial combinations. I think it has been a mistake to act on the theory which has shaped most of our legislation, National and State, for the last thirty years, that it is possible to turn back the hands of the clock, to forbid combinations and to restore business to conditions which have absolutely passed away. That can not be done. What we can do is to exercise an efficient supervision over the combinations, so as to see as far as possible that they are used in the interest of and not against the interest of the general public. I do not believe that such supervision can come effectively through the State, nor that it can effectively come through the municipality. Ultimately in the great majority of cases to be effective it must be exercised by the National Government. I trust that in the end means will be found by which the exercise of such control over all the great industrial corporations which are really engaged in and doing an interstate business will be lodged in the hands of the National Government. As the first step to that I hope to see the passage of legislation which will give as an executive, not as a judicial function, to the National Government the supervision of the railroads of the United States which are engaged in interstate commerce, with the power, when a rate is complained of as improper and unjust, to examine that rate, and if the rate should be changed to change it to a given rate, and to have that given rate take practically immediate effect. Now, I am perfectly well aware that there are objections to the proposed change, but in my judgment they are far outweighed by the objections attendant upon not making the change. The fear ex-

pressed by excellent people, who no doubt feel it genuinely, that we could not get a commission who would fix all the rates of the railroads of the country, is to my mind much as if they should express fear that you could not get Supreme Court Justices who would be able to fix all the laws. I expect that the commission will be able to pass upon a given rate brought before it, just as the Supreme Court passes upon a given question of law brought before it; and one will prove to be as feasible as the other has proved feasible. That system should be, and, in my judgment will be introduced. I believe it will work a measurable betterment for the public. Listen to what I say — a measurable betterment for the public. I do not believe that it will produce the millennium, or anything approaching it; and I am quite certain that some of its most ardent advocates will be disappointed with the results. But I think measurable good will come. It can only come if the officers intrusted with the administration of the law remember that it is exactly as much their duty to protect the railroad from the public as to protect the public from the railroad; to remember that when we say we want justice from the railroad, we must, if we are honest, add also a pledge to do justice to the railroad.



## ENFORCEMENT OF LAW THE FIRST REQUISITE OF CIVILIZATION

FROM AN ADDRESS DELIVERED AT HARVARD UNIVERSITY, ON "THE HARVARD SPIRIT," JUNE 28, 1905

THIS Nation never stood in greater need than now of having among its leaders men of lofty ideals, which they try to live up to and not merely to talk of. We need men with these ideals in public life, and we need them just as much in business and in such a profession as the law. We can by statute establish only those exceedingly rough lines of morality the overpassing of which means that the man is in jeopardy of the constable or the sheriff. But the Nation is badly off if in addition to this there is not a very much higher standard of conduct, a standard impossible effectively to establish by statute, but one upon which the community as a whole, and especially the real leaders of the community, insist. Take such a question as the enforcement of the law. It is, of course, elementary to say that this is the first requisite in any civilization at all. But a great many people in the ranks of life from which most college men are drawn seem to forget that they should condemn with equal severity those men who break the law by committing crimes of mob violence and those who evade the law, or who actually break it, but so cunningly that they can not be discovered, the crimes they commit being not those of physical outrage, but those of greed and craft on the largest scale. The very rich man who conducts his business as if he believed

that he were a law unto himself thereby immensely increases the difficulty of the task of upholding order when the disorder is a menace to men of property; for if the community feels that rich men disregard the law where it affects themselves, then the community is apt to assume the dangerous and unwholesome attitude of condoning crimes of violence committed against the interests which in the popular mind these rich men represent. This last attitude is wholly evil; but so is the attitude which produces it. We have a right to appeal to the alumni of Harvard, and to the alumni of every institution of learning in this land, to do their part in creating a public sentiment which shall demand of all men of means, and especially of the men of vast fortune, that they set an example to their less fortunate brethren, by paying scrupulous heed not only to the letter but to the spirit of the laws, and by acknowledging in the heartiest fashion the moral obligations which can not be expressed in law, but which stand back of and above all laws. It is far more important that they should conduct their business affairs decently than that they should spend the surplus of their fortunes in philanthropy. Much has been given to these men and we have the right to demand much of them in return. Every man of great wealth who runs his business with cynical contempt for those prohibitions of the law which by hired cunning he can escape or evade is a menace to our community; and the community is not to be excused if it does not develop a spirit which actively frowns on and discountenances him. The great profession of the law should be that profession whose members ought to take the lead in the

creation of just such a spirit. We all know that, as things actually are, many of the most influential and most highly remunerated members of the bar in every centre of wealth make it their special task to work out bold and ingenious schemes by which their very wealthy clients, individual or corporate, can evade the laws which are made to regulate in the interest of the public the use of great wealth. Now, the great lawyer who employs his talent and his learning in the highly remunerative task of enabling a very wealthy client to override or circumvent the law is doing all that in him lies to encourage the growth in this country of a spirit of dumb anger against all laws and of disbelief in their efficacy. Such a spirit may breed the demand that laws shall be made even more drastic against the rich, or else it may manifest itself in hostility to all laws. Surely Harvard has the right to expect from her sons a high standard of applied morality, whether their paths lead them into public life, into business, or into the great profession of the law, whose members are so potent in shaping the growth of the national soul.

But in addition to having high ideals it can not too often be said to a body such as is gathered here to-day, that together with devotion to what is right must go practical efficiency in striving for what is right. This is a rough, workaday, practical world, and if in it we are to do the work best worth doing, we must approach that work in a spirit remote from that of the mere visionary, and above all remote from that of the visionary whose aspirations after good find expression only in the shape of scolding and complaining. It shall not help us if we avoid the Scylla of base-

ness of motive, only to be wrecked on the Charybdis of wrong-headedness, of feebleness and inefficiency. There can be nothing worse for the community than to have the men who profess lofty ideals show themselves so foolish, so narrow, so impracticable, as to cut themselves off from communion with the men who are actually able to do the work of governing, the work of business, the work of the professions. It is a sad and evil thing if the men with a moral sense group themselves as impractical zealots, while the men of action gradually grow to discard and laugh at all moral sense as an evidence of impractical weakness. Macaulay, whose eminently sane and wholesome spirit revolted not only at weakness, but at the censorious folly which masquerades as virtue, describes the condition of Scotland at the end of the seventeenth century in a passage which every sincere reformer should keep constantly before him:

"It is a remarkable circumstance that the same country should have produced in the same age the most wonderful specimens of both extremes of human nature. Even in things indifferent the Scotch Puritan would hear of no compromise; and he was but too ready to consider all who recommended prudence and charity as traitors to the cause of truth. On the other hand, the Scotchmen of that generation who made a figure in Parliament were the most dishonest and unblushing time-servers that the world has ever seen. Perhaps it is natural that the most callous and impudent vice should be found in the near neighborhood of unreasonable and impracticable virtue. Where enthusiasts are ready to destroy or be destroyed for trifles magnified into impor-

tance by a squeamish conscience, it is not strange that the very name of conscience should become a byword of contempt to cool and shrewd men of business."

The men who go out from Harvard into the great world of American life bear a heavy burden of responsibility. The only way they can show their gratitude to their Alma Mater is by doing their full duty to the Nation as a whole; and they can do this full duty only if they combine the high resolve to work for what is best and most ennobling with the no less resolute purpose to do their work in such fashion that when the end of their days comes they shall feel that they have actually achieved results and not merely talked of achieving them.

## FALSE STANDARDS RESULTING FROM SWOLLEN FORTUNES

FROM AN ADDRESS DELIVERED BEFORE THE NATIONAL EDUCATIONAL ASSOCIATION, IN OCEAN GROVE, NEW JERSEY, JULY 7, 1905

WHERE altogether too much prominence is given to the mere possession of wealth, the country is under heavy obligations to such a body as this which substitutes for the ideal of accumulating money the infinitely loftier, non-materialistic ideal of devotion to work worth doing simply for that work's sake. I do not in the least underestimate the need of having material prosperity as the basis of our civilization, but I most earnestly insist that if our civilization does not build a lofty superstructure on this basis, we can never rank among the really great peoples. A

certain amount of money is of course a necessary thing, as much for the Nation as for the individual; and there are few movements in which I more thoroughly believe than in the movement to secure better remuneration for our teachers. But, after all, the service you render is incalculable, because of the very fact that by your lives you show that you believe ideals to be worth sacrifice, and that you are splendidly eager to do non-remunerative work if this work is of good to your fellow-men.

To furnish in your lives such a realized high ideal is to do a great service to the country. The chief harm done by the men of swollen fortune to the community is not the harm that the demagogue is apt to depict as springing from their actions, but the fact that their success sets up a false standard, and so serves as a bad example for the rest of us. If we do not ourselves attach an exaggerated importance to the rich man who is distinguished only by his riches, this rich man would have a most insignificant influence over us. It is generally our own fault if he does damage to us, for he damages us chiefly by arousing our envy or by rendering us sour and discontented. In his actual business relations he is much more apt to benefit than harm the rest of us; and though it is eminently right to take whatever steps are necessary in order to prevent the exceptional members of his class from doing harm, it is wicked folly to let ourselves be drawn into any attack upon the man of wealth merely as such. Moreover, such an attack is in itself an exceptionally crooked and ugly tribute to wealth, and therefore the proof of an exceptionally ugly and crooked state of mind in the man making the



attack. Venomous envy of wealth is simply another form of the spirit which in one of its manifestations takes the shape of cringing servility toward wealth, and in another the shape of brutal arrogance on the part of certain men of wealth. Each one of these states of mind, whether it be hatred, servility, or arrogance, is in reality closely akin to the other two; for each of them springs from a fantastically twisted and exaggerated idea of the importance of wealth as compared to other things. The clamor of the demagogue against wealth, the snobbery of the social columns of the newspapers which deal with the doings of the wealthy, and the misconduct of those men of wealth who act with brutal disregard of the rights of others, seem superficially to have no fundamental relation; yet in reality they spring from shortcomings which are fundamentally the same; and one of these shortcomings is the failure to have proper ideals.

This failure must be remedied in large part by the actions of you and your fellow-teachers, your fellow-educators throughout this land. By your lives, no less than by your teachings, you show that while you regard wealth as a good thing, you regard other things as still better. It is absolutely necessary to earn a certain amount of money; it is a man's first duty to those dependent upon him to earn enough for their support; but after a certain point has been reached money-making can never stand on the same plane with other and nobler forms of effort. The roll of American worthies numbers men like Washington and Lincoln, Grant and Farragut, Hawthorne and Poe, Fulton and Morse, St. Gaudens and MacMonnies; it numbers statesmen and soldiers,

men of letters, artists, sculptors, men of science, inventors, explorers, roadmakers, bridge builders, philanthropists, moral leaders in great reforms; it numbers men who have deserved well in any one of countless fields of activity; but of rich men it numbers only those who have used their riches aright, who have treated wealth not as an end, but as a means, who have shown good conduct in acquiring it and not merely lavish generosity in disposing of it.

Thrice fortunate are you to whom it is given to lead lives of resolute endeavor for the achievement of lofty ideals, and, furthermore, to instil, both by your lives and by your teachings, these ideals into the minds of those who in the next generation will, as the men and women of that generation, determine the position which this Nation will hold in the history of mankind.

## TEMPERANCE AND THE WAGE EARNER

ADDRESS DELIVERED IN WILKESBARRE, PENNSYLVANIA, AUGUST 10, 1905

I AM particularly glad to speak to this audience of miners and their wives and children, and especially to speak under the auspices of this great temperance society. In our country the happiness of all the rest of our people depends most of all upon the welfare of the wage-worker and the welfare of the farmer. If we can secure the welfare of these two classes we can be reasonably certain that the community as a whole will prosper. And we must never forget that the chief factor in securing the welfare alike of wage-

worker and of farmer, as of everybody else, must be the man himself.

The only effective way to help anybody is to help him help himself. There are exceptional times when any one of us needs outside help, and then it should be given freely, but normally each one of us must depend upon his own exertions for his own success. Something can be done by wise legislation and by wise and honest administration of the laws; that is, something can be done by our action taken in our collective capacity through the State and the Nation.

Something more can be done by combination and organization among ourselves in our private capacities as citizens, so long as this combination or organization is managed with wisdom and integrity, with insistence upon the rights of those benefited and yet with just regard for the rights of others.

But in the last analysis the factor most influential in determining any man's success must ever be the sum of that man's own qualities, of his knowledge, foresight, thrift, and courage. Whatever tends to increase his self-respect, whatever tends to help him overcome the temptations with which all of us are surrounded, is of benefit not only to him, but to the whole community.

No one society can do more to help the wage-worker than such a temperance society as that which I am now addressing. It is of incalculable consequence to the man himself that he should be sober and temperate, and it is of even more consequence to his wife and his children; for it is a hard and cruel fact that in this life of ours the sins of the man are often visited most

heavily upon those whose welfare should be his one especial care.

For the drunkard, for the man who loses his job because he can not control or will not control his desire for liquor and for vicious pleasure, we have a feeling of anger and contempt mixed with our pity; but for his unfortunate wife and little ones we feel only pity, and that of the deepest and tenderest kind.

Everything possible should be done to encourage the growth of that spirit of self-respect, self-restraint, self-reliance, which if it only grows enough is certain to make all those in whom it shows itself move steadily upward toward the highest standard of American citizenship. It is a proud and responsible privilege to be citizens of this great self-governing Nation; and each of us needs to keep steadily before his eyes the fact that he is wholly unfit to take part in the work of governing others unless he can first govern himself. He must stand up manfully for his own rights; he must respect the rights of others; he must obey the law, and he must try to live up to those rules of righteousness which are above and behind all laws.

This applies just as much to the man of great wealth as to the man of small means; to the capitalist as to the wage-worker. And as one practical point, let me urge that in the event of any difficulty, especially if it is what is known as a labor trouble, both sides show themselves willing to meet, willing to consult, and anxious each to treat the other reasonably and fairly, each to look at the other's side of the case and to do the other justice. If only this course could be generally

followed, the chance of industrial disaster would be minimized.

Now, my friends, I want to read you an extract from a letter I have just received from a Catholic priest whom I know well and whom I know to be as staunch a friend of the laboring man as there is to be found in this country. Now and then — not too often — it is a good thing for all of us to hear what is not perhaps altogether palatable, provided only that the person who tells the truth is our genuine friend, knows what he is talking about (even though he may not see all sides of the case), and tells us what he has to say, not with a desire to hurt our feelings, but with the transparent purpose to do us good. With this foreword, here is a part of the letter:

“I would humbly recommend that you lend your entire weight to the cause which the Catholic Total Abstinence Union of America represents, and especially so in its relation to the working classes of this country, for whom it is doing so much good. You know that the temperance movement is a potent auxiliary to the institutions of our country in building up a better manhood and a truer Christianity among our citizens. It played a very important part in the two coal strikes of 1900 and 1902, respectively, by keeping the men sober, and thus removing the danger of riotous and unbecoming conduct. There is one discouraging feature connected with the upward tendency of the wage scale among the workmen of this country. The higher the wages, the more money they spend in saloons. The shorter the hours, the more they are inclined to absent themselves from home. An apparent

disregard for family ties is growing among the poorer classes which will eventually lead to a disregard for the blessings our country affords them. Hence, with an increase of wages a corresponding movement for better manhood, nobler citizenship, and truer Christianity should be set on foot. The dignity of labor should be maintained, which can be done only through the love that a man should have for his work, and through the intelligence which he puts into it. A steady hand and sober mind are necessary for this. Hence, the necessity of the temperance cause and of the efforts which organized abstainers are putting into the movement."

Now, in what is here written this priest does not mean that the tendency is to grow worse; but he means that with shorter hours and increased wages there is a tendency to go wrong which must be offset by movements such as this great temperance movement and similar efforts for social and civic betterment, or else the increase in leisure and money will prove a curse instead of a blessing. I strive never to tell any one what I do not thoroughly believe, and I shall not say to you that to be honest, and temperate, and hardworking, and thrifty will always bring success.

The hand of the Lord is sometimes heavy upon the just as well as upon the unjust, and in the life of labor and effort which we must lead on this earth it is not always possible either by work, by wisdom, or by upright behavior to ward off disaster. But it is most emphatically true that the chance for leading a happy and prosperous life is immensely improved if only the man is decent, sober, industrious, and exercises fore-



sight and judgment. Let him remember above all that the performance of duty is the first essential to right living, and that a good type of average family life is the cornerstone of national happiness and greatness. No man can be a good citizen, can deserve the respect of his fellows, unless first of all he is a good man in his own family, unless he does his duty faithfully by his wife and children.

I strongly believe in trades unions wisely and justly handled, in which the rightful purpose to benefit those connected with them is not accompanied by a desire to do injustice or wrong to others. I believe it the duty of capitalist and wage-worker to try to seek one another out, to understand each the other's point of view, and to endeavor to show broad and kindly human sympathy one with the other.

I believe in the work of these great temperance organizations, of all kindred movements like the Young Men's and Young Women's Christian Associations, in short in every movement which strives to help a man by teaching him how to help himself. But most of all I believe in the efficacy of the man himself striving continually to increase his own self-respect by the way in which he does his duty to himself and to his neighbor.

## EFFORTS OF CORPORATIONS TO OB- STRUCT THE ADMINISTRATION OF THE LAW

FROM AN ADDRESS DELIVERED IN CHAUTAUQUA,  
NEW YORK, AUGUST 11, 1905

Now for one feature of our domestic policy. One of the main features of our national governmental policy should be the effort to secure adequate and effective supervisory and regulatory control over all great corporations doing an interstate business. Much of the legislation aimed to prevent the evils connected with the enormous development of these great corporations has been ineffective, partly because it aimed at doing too much, and partly because it did not confer on the Government a really efficient method of holding any guilty corporation to account. The effort to prevent all restraint of competition, whether harmful or beneficial, has been ill-judged; what is needed is not so much the effort to prevent combination as a vigilant and effective control of the combinations formed, so as to secure just and equitable dealing on their part alike toward the public generally, toward their smaller competitors, and toward the wage-workers in their employ.

Under the present laws we have in the last four years accomplished much that is of substantial value; but the difficulties in the way have been so great as to prove that further legislation is advisable. Many corporations show themselves honorably desirous to obey the law; but, unfor-

tunately, some corporations, and very wealthy ones at that, exhaust every effort which can be suggested by the highest ability, or secured by the most lavish expenditure of money, to defeat the purposes of the laws on the statute books.

Not only the men in control of these corporations, but the business world generally, ought to realize that such conduct is in every way perilous, and constitutes a menace to the Nation generally, and especially to the people of great property.

I earnestly believe that this is true of only a relatively small portion of the very rich men engaged in handling the largest corporations in the country; but the attitude of these comparatively few men does undoubtedly harm the country, and above all harm the men of large means, by the just, but sometimes misguided, popular indignation to which it gives rise. The consolidation, in the form of what are popularly called trusts, of corporate interests of immense value has tended to produce unfair restraints of trade of an oppressive character, and these unfair restraints tend to create great artificial monopolies. The violations of the law known as the anti-trust law, which was meant to meet the conditions thus arising, have more and more become confined to the larger combinations, the very ones against whose policy of monopoly and oppression the policy of the law was chiefly directed. Many of these combinations by secret methods and by protracted litigation are still unwisely seeking to avoid the consequences of their illegal action. The Government has very properly exercised moderation in attempting to enforce the criminal provisions of the statute; but it has become our conviction that in some cases, such

as that of at least certain of the beef packers recently indicted in Chicago, it is impossible longer to show leniency. Moreover, if the existing law proves to be inadequate, so that under established rules of evidence clear violations may not be readily proved, defiance of the law must inevitably lead to further legislation. This legislation may be more drastic than I would prefer. If so, it must be distinctly understood that it will be because of the stubborn determination of some of the great combinations in striving to prevent the enforcement of the law as it stands, by every device, legal and illegal. Very many of these men seem to think that the alternative is simply between submitting to the mild kind of governmental control we advocate and the absolute freedom to do whatever they think best. They are greatly in error. Either they will have to submit to reasonable supervision and regulation by the national authorities, or else they will ultimately have to submit to governmental action of a far more drastic type. Personally, I think our people would be most unwise if they let any exasperation due to the acts of certain great corporations drive them into drastic action, and I should oppose such action. But the great corporations are themselves to blame if by their opposition to what is legal and just they foster the popular feeling which calls for such drastic action.

Some great corporations resort to every technical expedient to render enforcement of the law impossible, and their obstructive tactics and refusal to acquiesce in the policy of the law have taxed to the utmost the machinery of the Depart-

ment of Justice. In my judgment Congress may well inquire whether it should not seek other means for carrying into effect the law. I believe that all corporations engaged in interstate commerce should be under the supervision of the National Government. I do not believe in taking steps hastily or rashly, and it may be that all that is necessary in the immediate future is to pass an interstate commerce bill conferring upon some branch of the executive government the power of effective action to remedy the abuses in connection with railway transportation. But in the end, and in my judgment at a time not very far off, we shall have to, or at least we shall find that we ought to, take further action as regards all corporations doing interstate business. The enormous increase in interstate trade, resulting from the industrial development of the last quarter of a century, makes it proper that the Federal Government should, so far as may be necessary to carry into effect its national policy, assume a degree of administrative control of these great corporations.

It may well be that we shall find that the only effective way of exercising this supervision is to require all corporations engaged in interstate commerce to produce proof satisfactory, say, to the Department of Commerce, that they are not parties to any contract or combination or engaged in any monopoly in interstate trade in violation of the anti-trust law, and that their conduct on certain other specified points is proper; and, moreover, that these corporations shall agree, with a penalty of forfeiture of their right to engage in such commerce, to furnish any evi-

dence of any kind as to their trade between the States whenever so required by the Department of Commerce.

It is the almost universal policy of the several States, provided by statute, that foreign corporations may lawfully conduct business within their boundaries only when they produce certificates that they have complied with the requirements of their respective States; in other words, that corporations shall not enjoy the privileges and immunities afforded by the State governments without first complying with the policy of their laws. Now the benefits which corporations engaged in interstate trade enjoy under the United States Government are incalculable; and in respect of such trade the jurisdiction of the Federal Government is supreme when it chooses to exercise it.

When, as is now the case, many of the great corporations consistently strain the last resources of legal technicality to avoid obedience to a law for the reasonable regulation of their business, the only way effectively to meet this attitude on their part is to give to the Executive Department of the Government a more direct and therefore more efficient supervision and control of their management.

In speaking against the abuses committed by certain very wealthy corporations or individuals, and of the necessity of seeking so far as it can safely be done to remedy these abuses, there is always danger lest what is said may be misinterpreted as an attack upon men of means generally. Now it can not too often be repeated in a Republic like ours that the only way by which it is possible permanently to benefit the



condition of the less able and less fortunate is so to shape our policy that all industrious and efficient people who act decently may be benefited; and this means, of course, that the benefit will come even more to the more able and more fortunate. If, under such circumstances, the less fortunate man is moved by envy of his more fortunate brother to strike at the conditions under which they have both, though unequally, prospered, he may rest assured that while the result may be damaging to the other man, it will be even more damaging to himself. Of course, I am now speaking of prosperity that comes under normal and proper conditions.

In our industrial and social system the interests of all men are so closely intertwined that in the immense majority of cases the straight-dealing man who by ingenuity and industry benefits himself must also benefit others. The man of great productive capacity who gets rich through guiding the labor of hundreds or thousands of other men does so, as a rule, by enabling their labor to produce more than it would without his guidance, and both he and they share in the benefit, so that even if the share be unequal it must never be forgotten that they too are really benefited by his success.

A vital factor in the success of any enterprise is the guiding intelligence of the man at the top, and there is need in the interest of all of us to encourage rather than to discourage the activity of the exceptional men who guide average men so that their labor may result in increased production of the kind which is demanded at the time. Normally we help the wage-worker, we help the man of small means, by making condi-

tions such that the man of exceptional business ability receives an exceptional reward for that ability.

But while insisting with all emphasis upon this, it is also true that experience has shown that when there is no governmental restraint or supervision, some of the exceptional men use their energies, not in ways that are for the common good, but in ways which tell against this common good; and that by so doing they not only wrong smaller and less able men — whether wage-workers or small producers and traders — but force other men of exceptional abilities themselves to do what is wrong under penalty of falling behind in the keen race for success. There is need of legislation to strive to meet such abuses. At one time or in one place this legislation may take the form of factory laws and employers' liability laws. Under other conditions it may take the form of dealing with the franchises which derive their value from the grant of the representatives of the people. It may be aimed at the manifold abuses, far-reaching in their effects, which spring from overcapitalization. Or it may be necessary to meet such conditions as those with which I am now dealing and to strive to procure proper supervision and regulation by the National Government of all great corporations engaged in interstate commerce or doing an interstate business.

There are good people who are afraid of each type of legislation; and much the same kind of argument that is now advanced against the effort to regulate big corporations has been again and again advanced against the effort to secure proper employers' liability laws or proper factory

laws with reference to women and children; much the same kind of argument was advanced but five years ago against the franchise-tax law enacted in this State while I was Governor.

Of course there is always the danger of abuse if legislation of this type is approached in a hysterical or sentimental spirit, or, above all, if it is approached in a spirit of envy and hatred toward men of wealth.

We must not try to go too fast, under penalty of finding that we may be going in the wrong direction; and, in any event, we ought always to proceed by evolution and not by revolution. The laws must be conceived and executed in a spirit of sanity and justice, and with exactly as much regard for the rights of the big man as for the rights of the little man — treating big man and little man exactly alike.

Our ideal must be the effort to combine all proper freedom for individual effort with some guarantee that the effort is not exercised in contravention of the eternal and immutable principles of justice.

## EACH MAN TO BE TREATED ON HIS WORTH AS A MAN

FROM AN ADDRESS DELIVERED AT CAPITOL SQUARE,  
IN RICHMOND, VIRGINIA, OCTOBER 18, 1905

THE problems that face us abroad are important, but the problems that face us at home are even more important. The extraordinary growth of industrialism during the last half century brings every civilized people face to face with the

gravest social and economic questions. This is an age of combination among capitalists and combination among wage-workers. It is idle to try to prevent such combinations. Our efforts should be to see that they work for the good and not for the harm of the body politic. New devices of law are necessary from time to time in order to meet the changed and changing conditions. But after all we will do well to remember that, although the problems to be solved change from generation to generation, the spirit in which their solution must be attempted remains forever the same. It is in peace as it is in war. Tactics change and weapons change. The Continental troops in their blue and buff, who fought under Washington and Greene and Wayne, differed entirely in arms and in training from those who in blue or gray faced one another in the armies of Grant and of Lee, of Sherman and of Johnston. And now the sons of these same Union and Confederate veterans, who serve in our gallant little army of to-day, wear a different uniform, carry a different weapon, and practice different tactics. But the soul of the soldier has remained the same throughout, and the qualities which drove forward to victory or to death the men of '76 and the men of '61 are the very qualities which the men of to-day must keep unchanged if in the hour of need the honor of the Nation is to be kept untarnished. So it is in civil life. This Government was formed with as its basic idea the principle of treating each man on his worth as a man, of paying no heed to whether he was rich or poor, no heed to his creed or his social standing, but only to the way in which he performed his duty to himself, to his

neighbor, to the state. From this principle we can not afford to vary by so much as a hand's breadth. Many republics have risen in the past, and some of them flourished long, but sooner or later they fell; and the cause most potent in bringing about their fall was in almost all cases the fact that they grew to be governments in the interest of a class instead of governments in the interest of all. It made no difference as to which class it was that thus wrested to its own advantage the governmental machinery. It was ultimately as fatal to the cause of freedom whether it was the rich who oppressed the poor or the poor who plundered the rich. The crime of brutal disregard of the rights of others is as much a crime when it manifests itself in the shape of greed and brutal arrogance on the one side, as when it manifests itself in the shape of envy and lawless violence on the other. Our aim must be to deal justice to each man; no more and no less. This purpose must find its expression and support not merely in our collective action through the agencies of the Government, but in our social attitude. Rich man and poor man must alike feel that on the one hand they are protected by law and that on the other hand they are responsible to the law; for each is entitled to be fairly dealt with by his neighbor and by the State; and if we as citizens of this Nation are true to ourselves and to the traditions of our forefathers such fair measure of justice shall always be dealt to each man; so that as far as we can bring it about each shall receive his dues, each shall be given the chance to show the stuff there is in him, shall be secured against wrong, and in turn prevented from wronging others.

More than this no man is entitled to, and less than this no man shall have.

## ADMINISTRATIVE CONTROL OF RAILWAYS

FROM AN ADDRESS DELIVERED IN RALEIGH, NORTH CAROLINA, OCTOBER 19, 1905

THE position of honor in your parade to-day is held by the Confederate veterans. They by their deeds reflect credit upon their descendants and upon all Americans, both because they did their duty in war and because they did their duty in peace. Now if the young men, their sons, will not only prove that they possess the same power of fealty to an ideal, but will also show the efficiency in the ranks of industrial life that their fathers, the Confederate veterans, showed that they possessed in the ranks of war, the industrial future of this great and typically American Commonwealth is assured.

The extraordinary development of industrialism during the last half century has been due to several causes, but above all to the revolution in the methods of transportation and communication; that is, to steam and to electricity, to the railroad and the telegraph.

When this Government was founded commerce was carried on by essentially the same instruments that had been in use not only among civilized, but among barbarian, nations, ever since history dawned; that is, by wheeled vehicles drawn by animals, by pack trains, and by sailing ships and rowboats. On land this meant that commerce went in slow, cumbrous, and expen-



sive fashion over highways open to all. Normally these highways could not compete with water transportation, if such was feasible between the connecting points.

All this has been changed by the development of the railroads. Save on the ocean or on lakes so large as to be practically inland seas, transport by water has wholly lost its old position of superiority over transport by land, while instead of the old highways open to every one on the same terms, but of a very limited usefulness, we have new highways — railroads — which are owned by private corporations and which are practically of unlimited, instead of limited, usefulness. The old laws and old customs which were adequate and proper to meet the old conditions need radical readjustment in order to meet these new conditions. The cardinal features in these changed conditions are, first, the fact that the new highway, the railway, is, from the commercial standpoint, of infinitely greater importance in our industrial life than was the old highway, the wagon road; and, second, that this new highway, the railway, is in the hands of private owners, whereas the old highway, the wagon road, was in the hands of the State. The management of the new highway, the railroad, or rather of the intricate web of railroad lines which cover the country, is a task infinitely more difficult, more delicate, and more important than the primitively easy task of acquiring or keeping in order the old highway; so that there is properly no analogy whatever between the two cases. I do not believe in government ownership of anything which can with propriety be left in private hands, and in particular I should

most strenuously object to government ownership of railroads. But I believe with equal firmness that it is out of the question for the Government not to exercise a supervisory and regulatory right over the railroads; for it is vital to the well-being of the public that they should be managed in a spirit of fairness and justice toward all the public. Actual experience has shown that it is not possible to leave the railroads uncontrolled. Such a system, or rather such a lack of system, is fertile in abuses of every kind, and puts a premium upon unscrupulous and ruthless cunning in railroad management; for there are some big shippers and some railroad managers who are always willing to take unfair advantage of their weaker competitors, and they thereby force other big shippers and big railroad men who would like to do decently into similar acts of wrong and injustice, under penalty of being left behind in the race for success. Government supervision is needed quite as much in the interest of the big shipper and of the railroad man who want to do right as in the interest of the small shipper and the consumer.

Experience has shown that the present laws are defective and need amendment. The effort to prohibit all restraint of competition, whether reasonable or unreasonable, is unwise. What we need is to have some administrative body with ample power to forbid combination that is hurtful to the public, and to prevent favoritism to one individual at the expense of another. In other words, we want an administrative body with the power to secure fair and just treatment as among all shippers who use the railroads —

and all shippers have a right to use them. We must not leave the enforcement of such a law merely to the Department of Justice; it is out of the question for the law department of the Government to do what should be purely administrative work. The Department of Justice is to stand behind and co-operate with the administrative body, but the administrative body itself must be given the power to do the work and then held to a strict accountability for the exercise of that power. The delays of the law are proverbial and what we need in this matter is reasonable quickness of action.

The abuses of which we have a genuine right to complain take many shapes. Rebates are not now often given openly. But they can be given just as effectively in covert form; and private cars, terminal tracks, and the like must be brought under the control of the commission or administrative body which is to exercise supervision by the Government. But in my judgment the most important thing to do is to give to this administrative body power to make its findings effective, and this can be done only by giving it power, when complaint is made of a given rate as being unjust or unreasonable, if it finds the complaint proper, then itself to fix a maximum rate which it regards as just and reasonable, this rate to go into effect practically at once, that is within a reasonable time, and to stay in effect unless reversed by the courts. I earnestly hope that we shall see a law giving this power passed by Congress. Moreover, I hope that by law power will be conferred upon representatives of the Government capable of performing the duty of public accountants carefully to examine into

the books of railroads when so ordered by the Interstate Commerce Commission, which should itself have power to prescribe what books, and what books only, should be kept by railroads. If there is in the minds of the Commission any suspicion that a certain railroad is in any shape or way giving rebates or behaving improperly, I wish the Commission to have power as a matter of right, not as a matter of favor, to make a full and exhaustive investigation of the receipts and expenditures of the railroad, so that any violation or evasion of the law may be detected. This is not a revolutionary proposal on my part, for I only wish the same power given in reference to railroads that is now exercised as a matter of course by the national bank examiners as regards national banks. My object in giving these additional powers to the administrative body representing the Government — the Interstate Commerce Commission or whatever it may be — is primarily to secure a real and not a sham control to the Government representatives. The American people abhor a sham, and with this abhorrence I cordially sympathize. Nothing is more injurious from every standpoint than a law which is merely sound and fury, merely pretence, and not capable of working out tangible results. I hope to see all the power that I think it ought to have granted to the Government; but I would far rather see only some of it granted, but really granted, than see a pretence of granting all in some shape that really amounts to nothing.

It must be understood, as a matter of course, that if this power is granted it is to be exercised with wisdom and caution and self-restraint. The Interstate Commerce Commissioner or

other Government official who failed to protect a railroad that was in the right against any clamor, no matter how violent, on the part of the public, would be guilty of as gross a wrong as if he corruptly rendered an improper service to the railroad at the expense of the public. When I say a square deal I mean a square deal; exactly as much a square deal for the rich man as for the poor man; but no more. Let each stand on his merits, receive what is due him, and be judged according to his deserts. To more he is not entitled, and less he shall not have.

## THE SPIRIT IN WHICH NEW PROBLEMS MUST BE FACED

FROM AN ADDRESS DELIVERED IN CHARLOTTE,  
NORTH CAROLINA, OCTOBER 19, 1905

IN civil life each generation has its problems. The tremendous industrial development of the past half century, the very development which has produced cities such as this, has brought great problems with it; problems connected with corporations; problems connected with labor; problems connected with both the accumulation and the distribution of wealth. The problems are new, but the spirit in which we must approach their solution is old. We must face the work we have to do as our fathers faced their work, if we wish to be successful. This is an age of organization, the organization of capital, the organization of labor. Each type of organization should be welcomed when it does good, and fearlessly opposed when it does evil. Our aim should be to strive to keep the reign of jus-

tice alive in this country so that we shall above all things avoid the chance of ever dividing on the lines that separate one class from another, one occupation from another. The man who would preach to either wage-worker or capitalist that the other was his foe is a bad citizen and faithless American. We can afford to divide along lines that represent honest difference of opinion, but we can not afford to divide on the fundamental lines of cleavage that separate good citizens from bad citizens. We must remember, if we intend to keep this Republic in its position of headship among the nations of mankind, that we can never afford to deviate from the old American doctrine of treating each man on his worth as a man, of paying heed, not to whether he is rich or poor, but only to whether he acts as a decent citizen.

### CORPORATE ACTIVITY AND "LAW HONESTY"

FROM AN ADDRESS DELIVERED IN PIEDMONT PARK,  
ATLANTA, GEORGIA, OCTOBER 20, 1905

BEFORE speaking to all of you here together let me say just one word suggested by the generous and unexpected gift presented to me by the representatives of organized labor here in Atlanta. I am speaking in this mighty city, an industrial centre of the Union, in a great agricultural State. It is of course a mere truism to say that if the men who till the soil and the wage-workers are well off the rest of the people will be well off; and it is the part of wise statesmanship to try primarily to do all that can be done for the farm-



ers, the men who live on the land, who work on the land, and for the wage-workers, the men who actually do the work with their hands. It has been my good fortune to be an honorary member of a union of wage-workers. There are few honors that I have ever had of which I am prouder than that. I believe in organized labor; and I will do all that in me lies for the wage-worker except to do wrong, and if I was willing to do that I would not be his true friend or any one else's. . . .

It is eminently appropriate that the representatives of organized labor should be called upon to play a part in any ceremonies in a great industrial city like this; and that incident alone would justify my choice of subjects to-day.

Here in this great industrial centre, in this city which is a typical Southern city, and therefore a typical American city, it is natural to consider certain phases of the many-sided industrial problem which this generation has to solve. In this world of ours it is practically impossible to get success of any kind on a large scale without paying something for it. The exceptions to the rule are too few to warrant our paying heed to them; and as a rule it may be said that something must be paid as an offset for everything we get and for everything we accomplish. This is notably true of our industrial life. The problems which we of America have to face to-day are very serious, but we will do well to remember that after all they are only part of the price which we have to pay for the triumphs we have won, for the high position to which we have attained. If we were a backward and stationary country we would not have to face these prob-

lems at all; but I think that most of us are agreed that to be backward and stationary would be altogether too heavy a price to pay for the avoidance of the problems in question. There are no labor troubles where there is no work to be done by labor. There are no troubles about corporations where the poverty of the community is such that it is not worth while to form corporations. There is no difficulty in regulating railroads where the resources of a region are so few that it does not pay to build railroads. There are many excellent people who shake their heads over the difficulties that as a nation we now have to face; but their melancholy is not warranted save in a very partial degree, for most of the things of which they complain are the inevitable accompaniments of the growth and greatness of which we are proud.

Now, I do not wish to be misunderstood. I do not for one moment mean to say that there are not many and serious evils with which we have to grapple, or that there are not unhealthy signs in the body social and politic; but I do mean to say that while we must not show a foolish optimism we must no less beware of a mere blind pessimism. There is every reason why we should be vigilant in searching out what is wrong and unflinchingly resolute in striving to remedy it. But at the same time we must not blind ourselves to what has been accomplished for good, and above all we must not lose our heads and become either hysterical or rancorous in grappling with what is bad.

Take such a question, for instance, as the question, or rather the group of questions, connected with the growth of corporations in this country.

This growth has meant, of course, the growth of individual fortunes. Undoubtedly the growth of wealth in this country has had some very unfortunate accompaniments, but it seems to me that much the worst damage that people of wealth can do the rest of us is not any actual physical harm, but the awakening in our breasts of either the mean vice of worshiping mere wealth, and the man of mere wealth, for the wealth's sake, or the equally mean vice of viewing with rancorous envy and hatred the men of wealth merely because they are men of wealth. Envy is, of course, merely a kind of crooked admiration; and we often see the very man who in public is most intemperate in his denunciation of wealth, in his private life most eager to obtain wealth, in no matter what fashion, and at no matter what moral cost.

Undoubtedly there is need of regulation by the Government, in the interest of the public, of these great corporations which in modern life have shown themselves to be the most efficient business implements, and which are, therefore, the implements commonly employed by the owners of large fortunes. The corporation is the creature of the State. It should always be held accountable to some sovereign, and this accountability should be real and not sham. Therefore, in my judgment, all corporations doing an interstate business, and this means the great majority of the largest corporations, should be held accountable to the Federal Government, because their accountability should be coextensive with their field of action. But most certainly we should not strive to prevent or limit corporate activity. We should strive to secure such effec-

tive supervision over it, such power of regulation over it, as to enable us to guarantee that its activity will be exercised only in ways beneficial to the public. The unwisdom of any well-meaning but misguided effort to check corporate activity has been shown in striking fashion in recent years by our experience in the Philippines and in Porto Rico. Our national legislators very properly determined that the islands should not be exploited by adventurers without regard to the interests of the people of the islands themselves. But unfortunately in their zeal to prevent the islands from being improperly exploited they took measures of such severity as to seriously, and in some respects vitally, to hamper and retard the development of the islands. There is nothing that the islands need more than to have their great natural resources developed, and these resources can be developed only by the abundant use of capital, which, of course, will not be put into them unless on terms sufficiently advantageous to offer prospects of good remuneration. We have made the terms not merely hard, but often prohibitory, with the result that American capital goes into foreign countries, like Mexico, and is there used with immense advantage to the country in its development, while it can not go into our own possessions or be used to develop the lands under our own flag. The chief sufferers by this state of things are the people of the islands themselves.

It is impossible too strongly to insist upon what ought to be the patent fact, that it is not only in the interest of the people of wealth themselves, but in our interest, in the interest of the public as a whole, that they should be treated

fairly and justly; that if they show exceptional business ability they should be given exceptional reward for that ability. The tissues of our industrial fabric are interwoven in such complex fashion that what strengthens or weakens part also strengthens or weakens the whole. If we penalize industry we will ourselves in the end have to pay a considerable part of the penalty. If we make conditions such that the men of exceptional ability are able to secure marked benefits by the exercise of that ability, then we shall ourselves benefit somewhat. It is our interest no less than our duty to treat them fairly. On the other hand, it is no less their interest to treat us fairly — by "us" I mean the great body of the people, the men of moderate or small fortunes, the farmers, the wage-workers, the smaller business men and professional men. The man of great means who achieves fortune by crooked methods does wrong to the whole body politic. But he not merely does wrong to, he becomes a source of imminent danger to, other men of great means; for his ill-won success tends to arouse a feeling of resentment, which if it becomes inflamed fails to differentiate between the men of wealth who have done decently and the men of wealth who have not done decently.

The conscience of our people has been deeply shocked by the revelations made of recent years as to the way in which some of the great fortunes have been obtained and used, and there is, I think, in the minds of the people at large a strong feeling that a serious effort must be made to put a stop to the cynical dishonesty and contempt for right which have thus been revealed. I believe that something, and I hope that a good

deal, can be done by law to remedy the state of things complained of. But when all that can be has thus been done, there will yet remain much which the law can not touch, and which must be reached by the force of public opinion. There are men who do not divide actions merely into those that are honest and those that are not, but create a third subdivision — that of law honesty; of that kind of honesty which consists in keeping clear of the penitentiary. It is hard to reach astute men of this type save by making them feel the weight of an honest public indignation. But this indignation, if it is to be effective, must be intelligent. It is, of course, to the great advantage of dishonest men of wealth if they are denounced, not for being dishonest, but for being wealthy, and if they are denounced in terms so overstrained and hysterical as to invite a reaction in their favor. We can not afford in this country to draw the distinction as between rich man and poor man. The distinction upon which we must insist is the vital, deep-lying, unchangeable distinction between the honest man and the dishonest man, between the man who acts decently and fairly by his neighbor and with a quick sense of his obligations, and the man who acknowledges no internal law save that of his own will and appetite. Above all we should treat with a peculiarly contemptuous abhorrence the man who in a spirit of sheer cynicism debauches either our business life or our political life. There are men who use the phrase "practical politics" as merely a euphemism for dirty politics, and it is such men who have brought the word "politician" into discredit. There are other men who use the nox-



ious phrase "business is business" as an excuse and justification for every kind of mean and crooked work; and these men make honest Americans hang their heads because of some of the things they do. It is the duty of every honest patriot to rebuke in emphatic fashion alike the politician who does not understand that the only kind of "practical politics" which a nation can with safety tolerate is that kind which we know as clean politics, and that we are as severe in our condemnation of the business trickery which succeeds as of the business trickery which fails. The scoundrel who fails can never by any possibility be as dangerous to the community as the scoundrel who succeeds; and of all the men in the country, the worst citizens, those who should excite in our minds the most contemptuous abhorrence, are the men who have achieved great wealth, or any other form of success, in any save a clean and straightforward manner.

## THE SPIRIT OF CLASS ANTAGONISM

FROM AN ADDRESS DELIVERED IN CITY PARK, LITTLE ROCK, ARKANSAS, OCTOBER 25, 1905

I AM fortunate enough to have spoken all over the Union, and I have never said in any State or any section what I would not have said in any other State or in any other section. I am fortunate in being President of a nation where you do not have to praise one State by running down any other State. Arkansas, the New England States, the Western, the Eastern, the Northern, the Southern—they are all good States and I am for them all. The thing that has impressed

me most as I have gone through this country from the Atlantic to the Pacific, from the Canadian border to the Gulf, has been not the superficial differences of our people, but the essential likenesses of our people. The average American is a pretty good fellow; and all that is necessary, as you men of the honor guard, you men of the blue and gray, know, is that he should know the other average American and they will get on all right. That is true as regards locality and locality, and true as regards occupation and occupation. Thank heaven, we are free now from all danger of sectional antagonism! We must now see that there never comes any spirit of class antagonism in this country, any spirit of hostility between capitalist and wage-worker, between employer and employed; and we can avoid the upgrowth of any such feeling by remembering always to treat each man on his worth as a man. Do not hold it for him or against him that he is either rich or poor. If he is a crooked man and rich, hold it against him, not because he is rich, but because he is crooked. If he is not a rich man and crooked, hold it against him, still because he is crooked. If he is a square man, no matter how much or how little money he has, stand by him because he is a square man. Distrust more than any other man in this Republic the man who would try to teach Americans to substitute loyalty to any class for loyalty to the whole American people. Republics have flourished before now, and have fallen; and they have usually fallen because there arose within them parties that represented either the unscrupulous rich or the unscrupulous poor, and that persuaded the majority of the

people to substitute loyalty to the one class for loyalty to the people as a whole.

Remember that the rancorous envy that hates the rich is only one side of the shield whose obverse is the insolence and arrogance that looks down on the poor. The two qualities are fundamentally the same. They only differ in their manifestations because it happens that the man showing one is in a different position from the man showing the other. You show me a rich man who is arrogant and insolent in his disregard of the man of less means, and I tell you that same man, if he loses his wealth, will want to plunder every rich man. In the same way the man who preaches the gospel of hate and envy toward his fellows who are better off, if he becomes better off will oppress the men whom he once championed. Distrust the man who would persuade you that he would do you good by trying to do any other man harm. The man who is true to you will ultimately be the man who is true to the great fundamental principles of righteousness. In public life the man who seeks to persuade you that he will benefit you by wronging any one else, if the chance arises, will surely try to benefit himself by wronging you. What as a nation we need is to stand by the eternal, immutable principles of right and decency, the principle of fair dealing as between man and man, the principles that teach us to regard virtue with respect and vice with abhorrence wherever either the virtue or the vice may be found. If we substitute for the line that divides the decent man from the man who is not decent, the line dividing the rich man from the poor man, or the line making any

other artificial division, we will have done irreparable wrong to the Nation itself.

## THE OBJECTS OF RATE REGULATION

REMARKS ADDRESSED TO A DELEGATION OF RAILWAY EMPLOYEES' ORDERS, IN THE EXECUTIVE OFFICE, WASHINGTON, D. C., NOVEMBER 14, 1905

I HAVE just a word that I want to say to you. In the first place, I trust I need hardly say that no delegation will ever be more welcome at the White House than such a delegation as this. The interests of the wage-worker and the interests of the tiller of the soil must be peculiarly close to all American public men; among other reasons for the reason that if they prosper all other classes will prosper likewise as a matter of course. As I said the other day to the representatives of organized labor at Atlanta, I shall do everything in my power for the laboring man except to do anything wrong; for the man who will do anything wrong in the nominal interest of another man will also do wrong against this same other man if ever it becomes to his own interest to do so. Your associations deserve peculiar regard because you have developed to a marked degree the very qualities that all bodies of wage-workers should develop: the intelligence, the regard for the future, the self-respect mingled with the respect for others, the power of self-restraint, which are absolutely essential to any body of men which is to move upward and onward. Remember always that every man of us must in some shape or other have his

passions and appetites governed; and the less of that government there is from within the more there will have to be from without.

With most of the general statements that you make I agree, but I am not sure that I agree with your application of them. There has been comparatively little complaint to me of the railroad rates being as a whole too high. The most serious complaints that have been made to me have been of improper discrimination in railroad rates. For instance, in two recent cases affecting great corporations the complaints that have been made to me have been that they are too low as regards certain big shippers; the complaint in both these cases is about the differential, the difference of treatment of two sets of users of the railways, the difference in favor of one set of shippers as against another set of shippers. Whether this is just or not I am not prepared to say. I very deeply appreciate and sympathize with the feeling you express as to the community of interest between the man who actually does the handling of the trains, at the brakes, in the engine cab, as a fireman, as a conductor, and the man who has to do, as a capitalist or as the higher employee of the capitalist, with the general management of the road. I feel that one of the lessons that can not be over-inculcated is the lesson of the identity of interest among our people as a whole. I do not have to tell a body like this something that I do have to tell some other bodies, and that is if you have not got at the head of a railroad a man who can make a success of it, the wage-workers on that railroad can not prosper. You must have at the head the type of ability which can do well; just

as you, comrade of the Civil War [turning to an engineer who wore the button of the Grand Army] needed a general who knew his business, or your valor did not avail. You remember that the valor of the best enlisted man that ever was (of course he was the basis of everything; the man who carried the gun and made the army; and you could not get the right stuff out of him if it was not in him) was of no value if there was not a directing power to see that the valor was used aright. The Union Army could have accomplished nothing if the feeling of the enlisted men had been the wish to down Grant and Sherman instead of supporting them heartily in achieving the common work for which all in common were striving.

If you will look at my Raleigh speech and my other recent utterances you will see my principles clearly set forth. I have said again and again that I would not tolerate for one moment any injustice to a railroad any more than I would tolerate any injustice by a railroad. I have said again and again that I would remove a public official who improperly yielded to any public clamor against a railroad, no matter how popular that clamor might be, just as quickly as I would remove a public official who rendered an improper service to the railroad at the expense of the public. But I am convinced that there must be an increased regulatory and supervisory power exercised by the Government over the railways. Indeed, I would like it exercised to a much greater extent than I have any idea of pressing at the moment. For instance, I would greatly like to have it exercised in the matter of overcapitalization. I am convinced that the "wages



fund" would be larger if there was no fictitious capital upon which dividends had to be paid. I need hardly to say that this does not mean hostility to wealth. If you gentlemen here, in whom I believe so strongly, were all a unit in demanding that some improper action should be taken against certain men of wealth, then, no matter whether I did or did not like those same men of wealth, I would defend them against you, no matter how much I cared for you; and in so doing I would really be acting in your own interest. I would be false to your interest if I failed to do justice to the capitalist as much as to the wage-worker. But I shall act against the abuses of wealth just as against all other abuses. The outcry against rate regulation is of much the same character as that I encountered when I was engaged in putting through that car-coupling business; or in endeavoring to secure certain legislation in which you have all been interested, such as the employers' liability law.

Most certainly I will join with you in resisting to the uttermost any movement to hurt or damage any railroads which act decently, for I would hold that such damage was not merely to the capitalist, not merely to the wage-worker engaged on the railroads, but to all the country. My aim is to secure the just and equal treatment of the public by those (I trust and believe a limited number) who do not want to give it, just as much as by the larger number who do want to give it. All I want in any rate legislation is to give the Government an efficient supervisory power which shall be exercised as scrupulously to prevent injustice to the railroads as to prevent

their doing injustice to the public. Our endeavor is to see that those big railroad men and big shippers who are not responsive to the demands of justice are required to do what their fellows who are responsive to the demands of justice would be glad to do of their own accord.

## FEDERAL SUPERVISION OF CORPORATIONS AND REGULATION OF RAILWAY RATES

FROM THE PRESIDENT'S MESSAGE AT THE OPENING OF THE FIRST SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 5, 1905

IN our industrial and social system the interests of all men are so closely intertwined that in the immense majority of cases a straight-dealing man who by his efficiency, by his ingenuity and industry, benefits himself must also benefit others. Normally the man of great productive capacity who becomes rich by guiding the labor of many other men does so by enabling them to produce more than they could produce without his guidance; and both he and they share in the benefit, which comes also to the public at large. The superficial fact that the sharing may be unequal must never blind us to the underlying fact that there is this sharing, and that the benefit comes in some degree to each man concerned. Normally the wage-worker, the man of small means, and the average consumer, as well as the average producer, are all alike helped by making conditions such that the man of exceptional business ability receives an exceptional reward for his ability. Something can be done by leg-

islation to help the general prosperity; but no such help of a permanently beneficial character can be given to the less able and less fortunate, save as the results of a policy which shall inure to the advantage of all industrious and efficient people who act decently; and this is only another way of saying that any benefit which comes to the less able and less fortunate must of necessity come even more to the more able and more fortunate. If, therefore, the less fortunate man is moved by envy of his more fortunate brother to strike at the conditions under which they have both, though unequally, prospered, the result will assuredly be that while damage may come to the one struck at, it will visit with an even heavier load the one who strikes the blow. Taken as a whole, we must all go up or go down together.

Yet, while not merely admitting, but insisting upon this, it is also true that where there is no governmental restraint or supervision some of the exceptional men use their energies not in ways that are for the common good, but in ways which tell against this common good. The fortunes amassed through corporate organization are now so large, and vest such power in those that wield them, as to make it a matter of necessity to give to the sovereign — that is, to the Government, which represents the people as a whole — some effective power of supervision over their corporate use. In order to ensure a healthy social and industrial life, every big corporation should be held responsible by, and be accountable to, some sovereign strong enough to control its conduct. I am in no sense hostile

to corporations. This is an age of combination, and any effort to prevent all combination will be not only useless, but in the end vicious, because of the contempt for law which the failure to enforce law inevitably produces. We should, moreover, recognize in cordial and ample fashion the immense good effected by corporate agencies in a country such as ours, and the wealth of intellect, energy, and fidelity devoted to their service, and therefore normally to the service of the public, by their officers and directors. The corporation has come to stay, just as the trade union has come to stay. Each can do and has done great good. Each should be favored so long as it does good. But each should be sharply checked where it acts against law and justice.

So long as the finances of the Nation are kept upon an honest basis no other question of internal economy with which the Congress has the power to deal begins to approach in importance the matter of endeavoring to secure proper industrial conditions under which the individuals — and especially the great corporations — doing an interstate business are to act. The makers of our National Constitution provided especially that the regulation of interstate commerce should come within the sphere of the General Government. The arguments in favor of their taking this stand were even then overwhelming. But they are far stronger to-day, in view of the enormous development of great business agencies, usually corporate in form. Experience has shown conclusively that it is useless to try to get any adequate regulation and supervision of these great corporations by State action. Such

regulation and supervision can only be effectively exercised by a sovereign whose jurisdiction is co-extensive with the field of work of the corporations — that is, by the National Government. I believe that this regulation and supervision can be obtained by the enactment of law by the Congress. If this proves impossible, it will certainly be necessary ultimately to confer in fullest form such power upon the National Government by a proper amendment of the Constitution. It would obviously be unwise to endeavor to secure such an amendment until it is certain that the result can not be obtained under the Constitution as it now is. The laws of the Congress and of the several States hitherto, as passed upon by the courts, have resulted more often in showing that the States have no power in the matter than that the National Government has power; so that there at present exists a very unfortunate condition of things, under which these great corporations doing an interstate business occupy the position of subjects without a sovereign, neither any State government nor the National Government having effective control over them. Our steady aim should be by legislation, cautiously and carefully undertaken, but resolutely persevered in, to assert the sovereignty of the National Government by affirmative action.

This is only in form an innovation. In substance it is merely a restoration; for from the earliest time such regulation of industrial activities has been recognized in the action of the lawmaking bodies; and all that I propose is to meet the changed conditions in such manner as will prevent the Commonwealth abdicating the power it has always possessed, not only in this

country, but also in England before and since this country became a separate Nation.

It has been a misfortune that the national laws on this subject have hitherto been of a negative or prohibitive rather than an affirmative kind, and still more that they have in part sought to prohibit what could not be effectively prohibited, and have in part in their prohibitions confounded what should be allowed and what should not be allowed. It is generally useless to try to prohibit all restraint on competition, whether this restraint be reasonable or unreasonable; and where it is not useless it is generally hurtful. Events have shown that it is not possible adequately to secure the enforcement of any law of this kind by incessant appeal to the courts. The Department of Justice has for the last four years devoted more attention to the enforcement of the anti-trust legislation than to anything else. Much has been accomplished; particularly marked has been the moral effect of the prosecutions; but it is increasingly evident that there will be a very insufficient beneficial result in the way of economic change. The successful prosecution of one device to evade the law immediately develops another device to accomplish the same purpose. What is needed is not sweeping prohibition of every arrangement, good or bad, which may tend to restrict competition, but such adequate supervision and regulation as will prevent any restriction of competition from being to the detriment of the public, as well as such supervision and regulation as will prevent other abuses in no way connected with restriction of competition. Of these abuses, perhaps the chief, although by no means the only one, is over-



capitalization — generally itself the result of dishonest promotion — because of the myriad evils it brings in its train; for such overcapitalization often means an inflation that invites business panic; it always conceals the true relation of the profit earned to the capital actually invested, and it creates a burden of interest payments which is a fertile cause of improper reduction in or limitation of wages; it damages the small investor, discourages thrift, and encourages gambling and speculation; while perhaps worst of all is the trickiness and dishonesty which it implies — for harm to morals is worse than any possible harm to material interests, and the debauchery of politics and business by great dishonest corporations is far worse than any actual material evil they do the public. Until the National Government obtains, in some manner which the wisdom of the Congress may suggest, proper control over the big corporations engaged in interstate commerce — that is, over the great majority of the big corporations — it will be impossible to deal adequately with these evils.

I am well aware of the difficulties of the legislation that I am suggesting, and of the need of temperate and cautious action in securing it. I should emphatically protest against improperly radical or hasty action. The first thing to do is to deal with the great corporations engaged in the business of interstate transportation. As I said in my Message of December 6 last, the immediate and most pressing need, so far as legislation is concerned, is the enactment into law of some scheme to secure to the agents of the Government such supervision and regulation of the rates charged by the railroads of the country

engaged in interstate traffic as shall summarily and effectively prevent the imposition of unjust or unreasonable rates. It must include putting a complete stop to rebates in every shape and form. This power to regulate rates, like all similar powers over the business world, should be exercised with moderation, caution, and self-restraint; but it should exist, so that it can be effectively exercised when the need arises.

The first consideration to be kept in mind is that the power should be affirmative and should be given to some administrative body created by the Congress. If given to the present Interstate Commerce Commission or to a reorganized Interstate Commerce Commission, such commission should be made unequivocally administrative. I do not believe in the Government interfering with private business more than is necessary. I do not believe in the Government undertaking any work which can with propriety be left in private hands. But neither do I believe in the Government flinching from overseeing any work when it becomes evident that abuses are sure to obtain therein unless there is governmental supervision. It is not my province to indicate the exact terms of the law which should be enacted; but I call the attention of the Congress to certain existing conditions with which it is desirable to deal. In my judgment the most important provision which such law should contain is that conferring upon some competent administrative body the power to decide, upon the case being brought before it, whether a given rate prescribed by a railroad is reasonable and just, and if it is found to be unreasonable and unjust, then, after full investigation of the com-

plaint, to prescribe the limit of rate beyond which it shall not be lawful to go — the maximum reasonable rate, as it is commonly called — this decision to go into effect within a reasonable time and to obtain from thence onward, subject to review by the courts. It sometimes happens at present, not that a rate is too high but that a favored shipper is given too low a rate. In such case the Commission would have the right to fix this already established minimum rate as the maximum; and it would need only one or two such decisions by the Commission to cure railroad companies of the practice of giving improper minimum rates. I call your attention to the fact that my proposal is not to give the Commission power to initiate or originate rates generally, but to regulate a rate already fixed or originated by the roads, upon complaint and after investigation. A heavy penalty should be exacted from any corporation which fails to respect an order of the Commission. I regard this power to establish a maximum rate as being essential to any scheme of real reform in the matter of railway regulation. The first necessity is to secure it; and unless it is granted to the Commission there is little use in touching the subject at all.

Illegal transactions often occur under the forms of law. It has often occurred that a shipper has been told by a traffic officer to buy a large quantity of some commodity and then after it has been bought an open reduction is made in the rate to take effect immediately, the arrangement resulting to the profit of the one shipper and the one railroad and to the damage of all their competitors; for it must not be forgotten

that the big shippers are at least as much to blame as any railroad in the matter of rebates. The law should make it clear so that nobody can fail to understand that any kind of commission paid on freight shipments, whether in this form or in the form of fictitious damages, or of a concession, a free pass, reduced passenger rate, or payment of brokerage, is illegal. It is worth while considering whether it would not be wise to confer on the Government the right of civil action against the beneficiary of a rebate for at least twice the value of the rebate; this would help stop what is really blackmail. Elevator allowances should be stopped, for they have now grown to such an extent that they are demoralizing and are used as rebates.

The best possible regulation of rates would, of course, be that regulation secured by an honest agreement among the railroads themselves to carry out the law. Such a general agreement would, for instance, at once put a stop to the efforts of any one big shipper or big railroad to discriminate against or secure advantages over some rival; and such agreement would make the railroads themselves agents for enforcing the law. The power vested in the Government to put a stop to agreements to the detriment of the public should, in my judgment, be accompanied by power to permit, under specified conditions and careful supervision, agreements clearly in the interest of the public. But, in my judgment, the necessity for giving this further power is by no means as great as the necessity for giving the Commission or administrative body the other powers I have enumerated above; and it may well be inadvisable to attempt to vest

this particular power in the Commission or other administrative body until it already possesses and is exercising what I regard as by far the most important of all the powers I recommend — as indeed the vitally important power — that to fix a given maximum rate, which rate, after the lapse of a reasonable time, goes into full effect, subject to review by the courts.

All private-car lines, industrial roads, refrigerator charges, and the like should be expressly put under the supervision of the Interstate Commerce Commission or some similar body so far as rates, and agreements practically affecting rates, are concerned. The private-car owners and the owners of industrial railroads are entitled to a fair and reasonable compensation on their investment, but neither private cars nor industrial railroads nor spur tracks should be utilized as devices for securing preferential rates. A rebate in icing charges, or in mileage, or in a division of the rate for refrigerating charges is just as pernicious as a rebate in any other way. No lower rate should apply on goods imported than actually obtains on domestic goods from the American seaboard to destination except in cases where water competition is the controlling influence. There should be publicity of the accounts of common carriers; no common carrier engaged in interstate business should keep any books or memoranda other than those reported pursuant to law or regulation, and these books or memoranda should be open, to the inspection of the Government. Only in this way can violations or evasions of the law be surely detected. A system of examination of railroad accounts should be pro-

vided similar to that now conducted into the national banks by the bank examiners; a few first-class railroad accountants, if they had proper direction and proper authority to inspect books and papers, could accomplish much in preventing wilful violations of the law. It would not be necessary for them to examine into the accounts of any railroad unless for good reasons they were directed to do so by the Interstate Commerce Commission. It is greatly to be desired that some way might be found by which an agreement as to transportation within a State intended to operate as a fraud upon the Federal interstate commerce laws could be brought under the jurisdiction of the Federal authorities. At present it occurs that large shipments of interstate traffic are controlled by concessions on purely State business, which of course amounts to an evasion of the law. The Commission should have power to enforce fair treatment by the great trunk lines of lateral and branch lines.

I urge upon the Congress the need of providing for expeditious action by the Interstate Commerce Commission in all these matters, whether in regulating rates for transportation or for storing or for handling property or commodities in transit. The history of the cases litigated under the present commerce act shows that its efficacy has been to a great degree destroyed by the weapon of delay, almost the most formidable weapon in the hands of those whose purpose it is to violate the law.

Let me most earnestly say that these recommendations are not made in any spirit of hostility to the railroads. On ethical grounds, on grounds of right, such hostility would be in-



tolerable; and on grounds of mere national self-interest we must remember that such hostility would tell against the welfare not merely of some few rich men, but of a multitude of small investors, a multitude of railway employees, wage-workers; and most severely against the interest of the public as a whole. I believe that on the whole our railroads have done well and not ill; but the railroad men who wish to do well should not be exposed to competition with those who have no such desire, and the only way to secure this end is to give to some Government tribunal the power to see that justice is done by the unwilling exactly as it is gladly done by the willing. Moreover, if some Government body is given increased power the effect will be to furnish authoritative answer on behalf of the railroad whenever irrational clamor against it is raised, or whenever charges made against it are disproved. I ask this legislation not only in the interest of the public, but in the interest of the honest railroad man and the honest shipper alike, for it is they who are chiefly jeopardized by the practices of their dishonest competitors. This legislation should be enacted in a spirit as remote as possible from hysteria and rancor. If we of the American body politic are true to the traditions we have inherited we shall always scorn any effort to make us hate any man because he is rich, just as much as we should scorn any effort to make us look down upon or treat contemptuously any man because he is poor. We judge a man by his conduct — that is, by his character — and not by his wealth or intellect. If he makes his fortune honestly, there is no just cause of quarrel with him. In-

deed, we have nothing but the kindest feelings of admiration for the successful business man who behaves decently, whether he has made his success by building or managing a railroad or by shipping goods over that railroad. The big railroad men and big shippers are simply Americans of the ordinary type who have developed to an extraordinary degree certain great business qualities. They are neither better nor worse than their fellow-citizens of smaller means. They are merely more able in certain lines and therefore exposed to certain peculiarly strong temptations. These temptations have not sprung newly into being; the exceptionally successful among mankind have always been exposed to them; but they have grown amazingly in power as a result of the extraordinary development of industrialism along new lines, and under these new conditions, which the lawmakers of old could not foresee and therefore could not provide against, they have become so serious and menacing as to demand entirely new remedies. It is in the interest of the best type of railroad man and the best type of shipper no less than of the public that there should be governmental supervision and regulation of these great business operations, for the same reason that it is in the interest of the corporation which wishes to treat its employees aright that there should be an effective employers' liability act, or an effective system of factory laws to prevent the abuse of women and children. All such legislation frees the corporation that wishes to do well from being driven into doing ill, in order to compete with its rival, which prefers to do ill. We desire to set up a moral standard. There

can be no delusion more fatal to the Nation than the delusion that the standard of profits, of business prosperity, is sufficient in judging any business or political question — from rate legislation to municipal government. Business success, whether for the individual or for the Nation, is a good thing only so far as it is accompanied by and develops a high standard of conduct — honor, integrity, civic courage. The kind of business prosperity that blunts the standard of honor, that puts an inordinate value on mere wealth, that makes a man ruthless and conscienceless in trade and weak and cowardly in citizenship, is not a good thing at all, but a very bad thing for the Nation. This Government stands for manhood first and for business only as an adjunct of manhood.

The question of transportation lies at the root of all industrial success, and the revolution in transportation which has taken place during the last half century has been the most important factor in the growth of the new industrial conditions. Most emphatically we do not wish to see the man of great talents refused the reward for his talents. Still less do we wish to see him penalized; but we do desire to see the system of railroad transportation so handled that the strong man shall be given no advantage over the weak man. We wish to ensure as fair treatment for the small town as for the big city; for the small shipper as for the big shipper. In the old days the highway of commerce, whether by water or by road on land, was open to all; it belonged to the public and the traffic along it was free. At present the railway is this highway, and we must do our best to see that it is kept

open to all on equal terms. Unlike the old highway it is a very difficult and complex thing to manage, and it is far better that it should be managed by private individuals than by the Government. But it can only be so managed on condition that justice is done the public. It is because, in my judgment, public ownership of railroads is highly undesirable and would probably in this country entail far-reaching disaster, that I wish to see such supervision and regulation of them in the interest of the public as will make it evident that there is no need for public ownership. The opponents of Government regulation dwell upon the difficulties to be encountered and the intricate and involved nature of the problem. Their contention is true. It is a complicated and delicate problem, and all kinds of difficulties are sure to arise in connection with any plan of solution, while no plan will bring all the benefits hoped for by its more optimistic adherents. Moreover, under any healthy plan, the benefits will develop gradually and not rapidly. Finally, we must clearly understand that the public servants who are to do this peculiarly responsible and delicate work must themselves be of the highest type both as regards integrity and efficiency. They must be well paid, for otherwise able men can not in the long run be secured; and they must possess a lofty probity which will revolt as quickly at the thought of pandering to any gust of popular prejudice against rich men as at the thought of anything even remotely resembling subserviency to rich men. But while I fully admit the difficulties in the way, I do not for a moment admit that these difficulties warrant us in stopping in our effort to secure a wise

and just system. They should have no other effect than to spur us on to the exercise of the resolution, the even-handed justice, and the fertility of resource, which we like to think of as typically American, and which will in the end achieve good results in this as in other fields of activity. The task is a great one and underlies the task of dealing with the whole industrial problem. But the fact that it is a great problem does not warrant us in shrinking from the attempt to solve it. At present we face such utter lack of supervision, such freedom from the restraints of law, that excellent men have often been literally forced into doing what they deplored because otherwise they were left at the mercy of unscrupulous competitors. To rail at and assail the men who have done as they best could under such conditions accomplishes little. What we need to do is to develop an orderly system; and such a system can only come through the gradually increased exercise of the right of efficient Government control.

In my annual message to the Fifty-eighth Congress, at its third session, I called attention to the necessity for legislation requiring the use of block signals upon railroads engaged in interstate commerce. The number of serious collisions upon unblocked roads that have occurred within the past year adds force to the recommendation then made. The Congress should provide, by appropriate legislation, for the introduction of block signals upon all railroads engaged in interstate commerce at the earliest practicable date, as a measure of increased safety to the traveling public.

Through decisions of the Supreme Court of the United States and the lower Federal courts in cases brought before them for adjudication the safety-appliance law has been materially strengthened, and the Government has been enabled to secure its effective enforcement in almost all cases, with the result that the condition of railroad equipment throughout the country is much improved and railroad employees perform their duties under safer conditions than heretofore. The Government's most effective aid in arriving at this result has been its inspection service, and that these improved conditions are not more general is due to the insufficient number of inspectors employed. The inspection service has fully demonstrated its usefulness, and in appropriating for its maintenance the Congress should make provision for an increase in the number of inspectors.

The excessive hours of labor to which railroad employees in train service are in many cases subjected is also a matter which may well engage the serious attention of the Congress. The strain, both mental and physical, upon those who are engaged in the movement and operation of railroad trains under modern conditions is perhaps greater than that which exists in any other industry, and if there are any reasons for limiting by law the hours of labor in any employment, they certainly apply with peculiar force to the employment of those upon whose vigilance and alertness in the performance of their duties the safety of all who travel by rail depends.



## EMPLOYERS' LIABILITY

FROM THE PRESIDENT'S MESSAGE AT THE OPENING  
OF THE FIRST SESSION OF THE FIFTY-NINTH  
CONGRESS, DECEMBER 5, 1905

IN my annual Message to the Fifty-seventh Congress, at its second session, I recommended the passage of an Employers' Liability Law for the District of Columbia and in our navy yards. I renewed that recommendation in my Message to the Fifty-eighth Congress, at its second session, and further suggested the appointment of a commission to make a comprehensive study of employers' liability, with a view to the enactment of a wise and constitutional law covering the subject, applicable to all industries within the scope of the Federal power. I hope that such a law will be prepared and enacted as speedily as possible.

## LABOR LEGISLATION FOR WASHINGTON

FROM THE PRESIDENT'S MESSAGE AT THE OPENING  
OF THE FIRST SESSION OF THE FIFTY-NINTH  
CONGRESS, DECEMBER 5, 1905

THE National Government has as a rule but little occasion to deal with the formidable group of problems connected more or less directly with what is known as the labor question, for in the great majority of cases these problems must be dealt with by the State and municipal authorities and not by the National Government. The Na-

tional Government has control of the District of Columbia, however, and it should see to it that the City of Washington is made a model city in all respects, both as regards parks, public playgrounds, proper regulation of the system of housing so as to do away with the evils of alley tenements, a proper system of education, a proper system of dealing with truancy and juvenile offenders, a proper handling of the charitable work of the District. Moreover, there should be proper factory laws to prevent all abuses in the employment of women and children in the District. These will be useful chiefly as object lessons, but even this limited amount of usefulness would be of real national value.

## INJUNCTIONS IN LABOR DISPUTES

FROM THE PRESIDENT'S MESSAGE AT THE OPENING  
OF THE FIRST SESSION OF THE FIFTY-NINTH  
CONGRESS, DECEMBER 5, 1905

THERE has been demand for depriving courts of the power to issue injunctions in labor disputes. Such special limitation of the equity powers of our courts would be most unwise. It is true that some judges have misused this power; but this does not justify a denial of the power any more than an improper exercise of the power to call a strike by a labor leader would justify the denial of the right to strike. The remedy is to regulate the procedure by requiring the judge to give due notice to the adverse parties before granting the writ, the hearing to be *ex parte* if the adverse party does not appear at the time and place ordered. What is due notice

must depend upon the facts of the case; it should not be used as a pretext to permit violation of the law, or the jeopardizing of life or property. Of course, this would not authorize the issuing of a restraining order or injunction in any case in which it is not already authorized by existing law.

## CHILD LABOR AND WOMAN LABOR

FROM THE PRESIDENT'S MESSAGE AT THE OPENING  
OF THE FIRST SESSION OF THE FIFTY-NINTH  
CONGRESS, DECEMBER 5, 1905

I RENEW the recommendation made in my last annual Message for an investigation by the Department of Commerce and Labor of general labor conditions, especial attention to be paid to the conditions of child labor and child-labor legislation in the several States. Such an investigation should take into account the various problems with which the question of child labor is connected. It is true that these problems can be actually met in most cases only by the States themselves, but it would be well for the Nation to endeavor to secure and publish comprehensive information as to the conditions of the labor of children in the different States, so as to spur up those that are behindhand, and to secure approximately uniform legislation of a high character among the several States. In such a Republic as ours the one thing that we can not afford to neglect is the problem of turning out decent citizens. The future of the Nation depends upon the citizenship of the generations to come; the children of to-day are those who to-morrow

will shape the destiny of our land, and we can not afford to neglect them. The Legislature of Colorado has recommended that the National Government provide some general measure for the protection from abuse of children and dumb animals throughout the United States. I lay the matter before you for what I trust will be your favorable consideration.

The Department of Commerce and Labor should also make a thorough investigation of the conditions of women in industry. Over five million American women are now engaged in gainful occupations; yet there is an almost complete dearth of data upon which to base any trustworthy conclusions as regards a subject as important as it is vast and complicated. There is need of full knowledge on which to base action looking toward State and municipal legislation for the protection of working women. The introduction of women into industry is working change and disturbance in the domestic and social life of the Nation. The decrease in marriage, and especially in the birth rate, has been coincident with it. We must face accomplished facts, and the adjustment to factory conditions must be made; but surely it can be made with less friction and less harmful effects on family life than is now the case. This whole matter in reality forms one of the greatest sociological phenomena of our time; it is a social question of the first importance, of far greater importance than any merely political or economic question can be; and to solve it we need ample data, gathered in a sane and scientific spirit in the course of an exhaustive investigation.

## FEDERAL INVESTIGATIONS OF LABOR DISPUTES

FROM THE PRESIDENT'S MESSAGE AT THE OPENING  
OF THE FIRST SESSION OF THE FIFTY-NINTH  
CONGRESS, DECEMBER 5, 1905

IN any great labor disturbance not only are employer and employee interested, but also a third party — the general public. Every considerable labor difficulty in which interstate commerce is involved should be investigated by the Government and the facts officially reported to the public.

## RIGHT PRINCIPLES FOR THE SOLUTION OF LABOR PROBLEMS

FROM THE PRESIDENT'S MESSAGE AT THE OPENING  
OF THE FIRST SESSION OF THE FIFTY-NINTH  
CONGRESS, DECEMBER 5, 1905

THE question of securing a healthy, self-respecting, and mutually sympathetic attitude as between employer and employee, capitalist and wage-worker, is a difficult one. All phases of the labor problem prove difficult when approached. But the underlying principles, the root principles, in accordance with which the problem must be solved are entirely simple. We can get justice and right dealing only if we put as of paramount importance the principle of treating a man on his worth as a man rather than with reference to his social position, his occupation, or the class to which he belongs. There

are selfish and brutal men in all ranks of life. If they are capitalists their selfishness and brutality may take the form of hard indifference to suffering, greedy disregard of every moral restraint which interferes with the accumulation of wealth, and cold-blooded exploitation of the weak; or, if they are laborers, the form of laziness, of sullen envy of the more fortunate, and of willingness to perform deeds of murderous violence. Such conduct is just as reprehensible in one case as in the other, and all honest and far-seeing men should join in warring against it wherever it becomes manifest. Individual capitalist and individual wage-worker, corporation and union, are alike entitled to the protection of the law, and must alike obey the law. Moreover, in addition to mere obedience to the law, each man, if he be really a good citizen, must show broad sympathy for his neighbor and genuine desire to look at any question arising between them from the standpoint of that neighbor no less than from his own; and to this end it is essential that capitalist and wage-worker should consult freely one with the other, should each strive to bring closer the day when both shall realize that they are properly partners and not enemies. To approach the questions which inevitably arise between them solely from the standpoint which treats each side in the mass as the enemy of the other side in the mass is both wicked and foolish. In the past the most direful among the influences which have brought about the downfall of republics has ever been the growth of the class spirit, the growth of the spirit which tends to make a man subordinate the welfare of the public as a whole to the welfare of the particular class to which he



belongs, the substitution of loyalty to a class for loyalty to the Nation. This inevitably brings about a tendency to treat each man not on his merits as an individual, but on his position as belonging to a certain class in the community. If such a spirit grows up in this Republic it will ultimately prove fatal to us, as in the past it has proved fatal to every community in which it has become dominant. Unless we continue to keep a quick and lively sense of the great fundamental truth that our concern is with the individual worth of the individual man, this Government can not permanently hold the place which it has achieved among the nations. The vital lines of cleavage among our people do not correspond, and indeed run at right angles, to the lines of cleavage which divide occupation from occupation, which divide wage-workers from capitalists, farmers from bankers, men of small means from men of large means, men who live in the towns from men who live in the country; for the vital line of cleavage is the line which divides the honest man who tries to do well by his neighbor from the dishonest man who does ill by his neighbor. In other words, the standard we should establish is the standard of conduct, not the standard of occupation, of means, or of social position. It is the man's moral quality, his attitude toward the great questions which concern all humanity, his cleanliness of life, his power to do his duty toward himself and toward others, which really count; and if we substitute for the standard of personal judgment which treats each man according to his merits, another standard in accordance with which all men of one class are favored and all men of another class discrim-

inated against, we shall do irreparable damage to the body politic. I believe that our people are too sane, too self-respecting, too fit for self-government, ever to adopt such an attitude. This Government is not and never shall be government by a plutocracy. This Government is not and never shall be government by a mob. It shall continue to be in the future what it has been in the past, a government based on the theory that each man, rich or poor, is to be treated simply and solely on his worth as a man, and that all his personal and property rights are to be safeguarded, and that he is neither to wrong others nor to suffer wrong from others.

The noblest of all forms of government is self-government; but it is also the most difficult. We who possess this priceless boon, and who desire to hand it on to our children and our children's children, should ever bear in mind the thought so finely expressed by Burke: "Men are qualified for civil liberty in exact proportion to their disposition to put moral chains upon their own appetites; in proportion as they are disposed to listen to the counsels of the wise and good in preference to the flattery of knaves. Society can not exist unless a controlling power upon will and appetite be placed somewhere, and the less of it there be within the more there must be without. It is ordained in the eternal constitution of things that men of intemperate minds can not be free. Their passions forge their fetters."

## FEDERAL REGULATION OF INSURANCE

FROM THE PRESIDENT'S MESSAGE AT THE OPENING  
OF THE FIRST SESSION OF THE FIFTY-NINTH  
CONGRESS, DECEMBER 5, 1905

THE great insurance companies afford striking examples of corporations whose business has extended so far beyond the jurisdiction of the States which created them as to preclude strict enforcement of supervision and regulation by the parent States. In my last annual Message I recommended "that the Congress carefully consider whether the power of the Bureau of Corporations can not constitutionally be extended to cover interstate transactions in insurance." Recent events have emphasized the importance of an early and exhaustive consideration of this question, to see whether it is not possible to furnish better safeguards than the several States have been able to furnish against corruption of the flagrant kind which has been exposed. It has been only too clearly shown that certain of the men at the head of these large corporations take but small note of the ethical distinction between honesty and dishonesty; they draw the line only this side of what may be called law-honesty, the kind of honesty necessary in order to avoid falling into the clutches of the law. Of course the only complete remedy for this condition must be found in an aroused public conscience, a higher sense of ethical conduct in the community at large, and especially among business men and in the great profession of the law, and in the growth of a spirit which condemns all dishon-

esty, whether in rich man or in poor man, whether it takes the shape of bribery or of blackmail. But much can be done by legislation which is not only drastic but practical. There is need of a far stricter and more uniform regulation of the vast insurance interests of this country. The United States should in this respect follow the policy of other nations by providing adequate national supervision of commercial interests which are clearly national in character. My predecessors have repeatedly recognized that the foreign business of these companies is an important part of our foreign commercial relations. During the Administrations of President Cleveland, Harrison, and McKinley the State Department exercised its influence, through diplomatic channels, to prevent unjust discrimination by foreign countries against American insurance companies. These negotiations illustrated the propriety of the Congress recognizing the national character of insurance, for in the absence of Federal legislation the State Department could only give expression to the wishes of the authorities of the several States, whose policy was ineffective through want of uniformity.

I repeat my previous recommendation that the Congress should also consider whether the Federal Government has any power or owes any duty with respect to domestic transactions in insurance of an interstate character. That State supervision has proved inadequate is generally conceded. The burden upon insurance companies, and therefore their policy-holders, of conflicting regulations of many States, is unquestioned, while but little effective check is imposed upon any able and unscrupulous man who desires to

exploit the company in his own interest at the expense of the policy-holders and of the public. The inability of a State to regulate effectively insurance corporations created under the laws of other States and transacting the larger part of their business elsewhere is also clear. As a remedy for this evil of conflicting, ineffective, and yet burdensome regulations there has been for many years a widespread demand for Federal supervision. The Congress has already recognized that interstate insurance may be a proper subject for Federal legislation, for in creating the Bureau of Corporations it authorized it to publish and supply useful information concerning interstate corporations, "including corporations engaged in insurance." It is obvious that if the compilation of statistics be the limit of the Federal power, it is wholly ineffective to regulate this form of commercial intercourse between the States, and as the insurance business has outgrown in magnitude the possibility of adequate State supervision, the Congress should carefully consider whether further legislation can be had. What is said above applies with equal force to fraternal and benevolent organizations which contract for life insurance.

## A MAXIMUM AND MINIMUM TARIFF

FROM THE PRESIDENT'S MESSAGE AT THE OPENING  
OF THE FIRST SESSION OF THE FIFTY-NINTH  
CONGRESS, DECEMBER 5, 1905

THERE is more need of stability than of the attempt to attain an ideal perfection in the methods of raising revenue; and the shock and strain to

the business world certain to attend any serious change in these methods render such change inadvisable unless for grave reason. It is not possible to lay down any general rule by which to determine the moment when the reasons for will outweigh the reasons against such a change. Much must depend, not merely on the needs, but on the desires, of the people as a whole; for needs and desires are not necessarily identical. Of course no change can be made on lines beneficial to, or desired by, one section or one State only. There must be something like a general agreement among the citizens of the several States, as represented in the Congress, that the change is needed and desired in the interest of the people as a whole; and there should then be a sincere, intelligent, and disinterested effort to make it in such shape as will combine, so far as possible, the maximum of good to the people at large with the minimum of necessary disregard for the special interests of localities or classes. But in time of peace the revenue must on the average, taking a series of years together, equal the expenditures, or else the revenues must be increased. Last year there was a deficit. Unless our expenditures can be kept within the revenues then our revenue laws must be readjusted. It is as yet too early to attempt to outline what shape such a readjustment should take, for it is as yet too early to say whether there will be need for it. It should be considered whether it is not desirable that the tariff laws should provide for applying as against or in favor of any other nation maximum and minimum tariff rates established by the Congress, so as to secure a certain reciprocity of treatment between other na-



tions and ourselves. Having in view even larger considerations of policy than those of a purely economic nature, it would, in my judgment, be well to endeavor to bring about closer commercial connections with the other peoples of this continent. I am happy to be able to announce to you that Russia now treats us on the most-favored-nation basis.

## ELASTICITY OF THE CURRENCY

FROM THE PRESIDENT'S MESSAGE AT THE OPENING  
OF THE FIRST SESSION OF THE FIFTY-NINTH  
CONGRESS, DECEMBER 5, 1905

IN my Message of December 2, 1902, to the Congress I said:

"Interest rates are a potent factor in business activity, and in order that these rates may be equalized to meet the varying needs of the seasons and of widely separated communities, and to prevent the recurrence of financial stringencies which injuriously affect legitimate business, it is necessary that there should be an element of elasticity in our monetary system. Banks are the natural servants of commerce, and upon them should be placed, as far as practicable, the burden of furnishing and maintaining a circulation adequate to supply the needs of our diversified industries and of our domestic and foreign commerce; and the issue of this should be so regulated that a sufficient supply should be always available for the business interests of the country."

Every consideration of prudence demands the addition of the element of elasticity to our cur-

rency system. The evil does not consist in an inadequate volume of money, but in the rigidity of this volume, which does not respond as it should to the varying needs of communities and of seasons. Inflation must be avoided; but some provision should be made that will ensure a larger volume of money during the fall and winter months than in the less active seasons of the year; so that the currency will contract against speculation, and will expand for the needs of legitimate business. At present the Treasury Department is at irregularly recurring intervals obliged, in the interest of the business world — that is, in the interest of the American public — to try to avert financial crises by providing a remedy which should be provided by Congressional action.





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